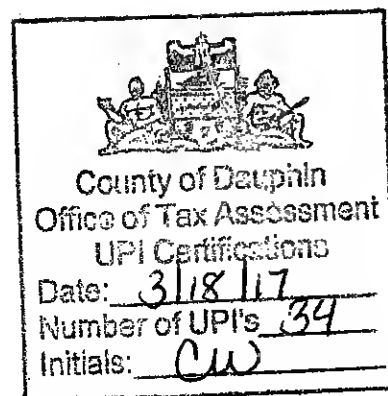


55-001-005	Rush Township
55-001-006	Rush Township
55-001-007	Rush Township
55-001-008	Rush Township
55-002-001	Rush Township
55-001-002	Rush Township
55-002-003	Rush Township
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55-005-002	Rush Township
55-006-001	Rush Township
55-006-002	Rush Township
55-006-003	Rush Township
55-006-004	Rush Township
55-003-001	Rush Township
14-021-004	City of Harrisburg
62-026-035	Susquehanna Twp.
01-049-012	City of Harrisburg
01-049-036	City of Harrisburg
63-043-007	Swatara Twp.



Tax Parcel ID: See Attached

**RECORDING OF TRANSFER AGREEMENT HARRISBURG COLLECTION SYSTEM  
AND WATER, WASTEWATER AND STORMWATER SYSTEMS TRANSITION  
AGREEMENT – CITY OF HARRISBURG**

This Document is dated this 17th day of March, 2014 is recorded by both the City of Harrisburg (COH), a political subdivision of the Commonwealth of Pennsylvania, and a third-class city under the Third Class City Code, 53 P.S. §35151, et seq., with an office at 10 North Second Street, Harrisburg, PA 17101 and Capital Region Water (CRW), formerly The Harrisburg Authority, which is a Pennsylvania municipal authority duly formed and organized under the Municipality Authorities Act, 56 P.S. §5601, et seq., with an office at 212 Locust Street, Suite 500, Harrisburg, PA 17101. CRW is the same entity as The Harrisburg Authority and, pursuant to duly recorded Articles of Amendment, changed its name to Capital Region Water effective March 14, 2014.

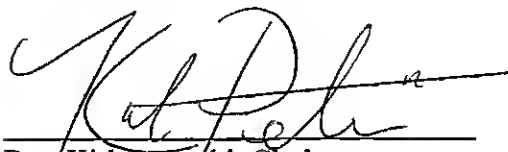
1. COH and CRW (then The Harrisburg Authority) entered into the following Agreements: (1) The Transfer Agreement Harrisburg Collection System, dated November 12, 2013; and (2) the Water, Wastewater and StormWater Systems Transition Agreement – City of Harrisburg, dated November 4, 2013 (collectively, the “Transfer Agreements”). These Agreements are attached hereto as Exhibits A and B, respectively.

2. The below signatories certify that the Transfer Agreements are Agreements from the public records of COH and CRW and that they have been duly voted upon at a public meeting and constitute binding statements and terms as to the current ownership status of the Collection System, Water, Wastewater and Storm Water Systems, as those terms are defined in the Transfer Agreements (the “Systems”) and that CRW owns those Systems free and clear of any and all liens, security interests, restrictions and other encumbrances, only subject to the terms of the Transfer Agreements, as evidenced by the City Ordinance and Resolution of The

Harrisburg Authority (now "Capital Region Water") attached hereto as Exhibits C and D, respectively.

3. The Parties hereby record these documents to document the title to the Systems and that these documents supersede all other Deeds (including a Deed dated March 1, 1990 (Book 1390, Page 28)) or instruments of title pertaining to the Systems.

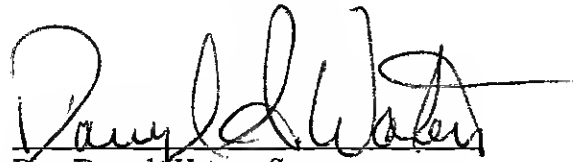
CITY OF HARRISBURG

  
By: Kirk Petroski, Clerk

March 16, 2016  
Date:

(SEAL)

CAPITAL REGION WATER

  
By: Darryl Waters, Secretary

3/17/16  
Date:

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF Dauphin :

On this, the 17<sup>th</sup> day of March, 2016, before me, the undersigned officer, personally appeared DARRYL WATERS, who acknowledged himself to be the SECRETARY of CAPITAL REGION WATER (formerly The Harrisburg Authority) and that being authorized to do so as such officer executed the foregoing instrument for the purposes therein contained on behalf of the corporation.

WITNESS my hand and seal the day and year aforesaid.

Karen M. McKillip

Notary Public

(SEAL)

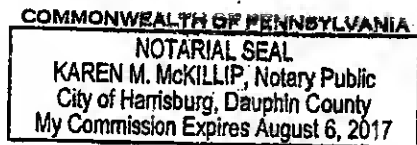


Exhibit A

TRANSFER AGREEMENT  
HARRISBURG SEWER COLLECTION SYSTEM

THIS TRANSFER AGREEMENT (this "Agreement") is made as of November 12, 2013 (the "Effective Date"), by and between the CITY OF HARRISBURG, a political subdivision of the Commonwealth of Pennsylvania, and a third class city under the Third Class City Code, 53 P.S. §35101 et seq., having an office located at 10 North Second Street, Harrisburg, PA 17101 (the "City") and THE HARRISBURG AUTHORITY, a Pennsylvania municipal authority, duly formed and organized under the Municipality Authorities Act, 56 P.S. § 5601 et seq., having an office located at 212 Locust Street, Suite 302, Harrisburg, PA 17101 (the "Authority").

WITNESSETH:

WHEREAS, the City owns and operates a combined wastewater and stormwater collection system, a separate wastewater sewer system, and a separate stormwater sewer system (collectively, the "Sewer Collection System");

WHEREAS, the City and Authority are parties to a Collection System Lease (the "Sewer Collection System Lease"), under which the City leases some or all of the Sewer Collection System to the Authority, which subleases some or all of the Sewer Collection System back to the City, which has allowed for financing of Sewer Collection System projects; and

WHEREAS, the Authority owns, and the City operates, a wastewater conveyance system and advanced wastewater treatment facility (the "Authority Wastewater Facilities" and together with the Sewer Collection System, the "Combined Sewer System");

WHEREAS, the City and the Authority acknowledge that the Sewer Collection System is in need of repairs and upgrades and that such repairs and upgrades can be most efficiently undertaken if the systems are owned and operated as a combined operation with the Authority Wastewater Facilities;

WHEREAS, the Authority is qualified to own and operate the Sewer Collection System pursuant to Pa. C.S. 56 P.S. § 5601 et seq. and the City desires to transfer to the Authority and the Authority desires to acquire the Sewer Collection System and the parties desire to terminate the Sewer Collection System Lease; and

WHEREAS, pursuant to the Water, Wastewater, and Stormwater Transition Agreement (as defined herein), the City and Authority mutually agree to transfer operations of the Combined Sewer System to the Authority.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and, intending to be legally bound, the parties hereto covenant and agree as follows intending to be legally bound hereby:

## ARTICLE 1 — DEFINITIONS

1.1. Definitions. Unless otherwise defined in this Agreement or the context otherwise requires, the terms or words defined in this Article and other terms or words defined in this Agreement, whenever used in this Agreement, shall have the meaning specified in this Article for all purposes of the Agreement, applicable to both the singular and plural forms of any of the terms or words defined in this Agreement.

“Accounts Receivable” shall mean all trade accounts receivable and other rights to payment from rate payers of the Combined Sewer System prior to the Effective Date and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable with respect to services provided to rate payers of the Combined Sewer System prior to the Closing Date and any claim, remedy or other right related to the foregoing.

“Acquired Assets” shall have the meaning set forth in Section 2.1.

“Action” shall mean and include any actual or threatened claim, action, order, consent order, decree or agreement, suit, arbitration, hearing, inquiry, proceeding, complaint, charge or investigation by or before any local, state or federal court, governmental department, commission, board, agency, authority, tribunal or arbitrator and any appeal from any of the foregoing.

“Agreement” shall mean this Agreement as it may be duly amended, modified, supplemented or restated from time-to-time in accordance herewith.

“Assignment and Assumption Agreement” shall have the meaning set forth in Section 5.2.

“Assumed Liabilities” shall have the meaning set forth in Section 2.4.

“Authority Access Rights” shall have the meaning set forth in Section 7.2(b).

“Authority Closing Costs” shall have the meaning set forth in Section 7.1.

“Authority Wastewater Facilities” shall have the meaning set forth in the recitals of this Agreement.

“City Access Rights” shall have the meaning set forth in Section 7.2(a).

“City Council” shall mean the Harrisburg City Council.

“Closing” shall have the meaning set forth in Section 5.1.

“Closing Date” shall mean November 4, 2013, or such other date as the City Ordinance relating to the transactions contemplated hereby takes effect.

“Collection System Lease” shall mean that certain Agreement of Lease dated January 15,

1998, as amended, by and between the City and the Authority, with respect to the leasing of certain assets related to the City's combined wastewater and stormwater collection system, a wastewater sewer system, and stormwater sewer system.

"Collection System Revenue Account" shall mean shall have the meaning ascribed to it in the Collection System Lease.

"Combined Sewer System" shall have the meaning set forth in the recitals to this Agreement.

"Combined Sewer Service Agreements" shall mean the contracts, agreements, leases, licenses and commitments to the extent related to the Combined Sewer System to which the City is a party, including without limitation the Suburban Agreements

"Controller" shall mean the individual elected as Controller of the City of Harrisburg pursuant to the Optional Third Class City Charter Law.

"Damages" shall mean any damages, losses, liabilities, costs and expenses (including without limitation reasonable attorneys' fees and court costs), deficiencies, claims, awards, judgments, settlements, interest, actions, penalties, or fines of any kind whatsoever in law or in equity.

"Deed" shall have the meaning ascribed thereto in Section 5.2.

"Designated Arbitrators" shall have the meaning ascribed thereto in Section 8.9.

"Environmental Conditions" shall mean the (i) state of the environment, including natural resources, soil, surface water, ground water, any present drinking water supply, subsurface strata or ambient air, relating to or arising out of the use, handling, storage, treatment, recycling, generation, transportation, spilling, leaking, pumping, pouring, injecting, emptying, discharging, emitting, escaping, leaching, dumping, disposal, release, or threatened release of Regulated Materials, which could or does result in Environmental Expenses, and (ii) any and all Combined Sewer System overflows, dry weather overflows, sanitary sewer overflows or any other exceedences or violations of the NPDES Permit, the MS4 Permit or applicable Environmental Regulations, (iii) any repair, replacement, retrofit, or activity: (a) required to be completed, performed, remediated or corrected on real property, whether leased or owned, as necessary to bring the Combined Sewer System, including the Acquired Assets, into compliance with applicable Laws, including Environmental Regulations or (b) necessary to bring such properties to the general operating and engineering standards of the wastewater collection and treatment industries.

"Environmental Expense" shall mean any liability (including strict liability), Damages, Liens or other expense relating to any Environmental Conditions, or incurred in compliance with any Environmental Regulation or Governmental Directive, including without limitation the costs of investigation, cleanup, remedial, monitoring, corrective or other responsive action, compliance costs, capital improvements costs, cost of buying nutrients or other discharge limitation credits, settlement costs, the lost value of the Acquired Assets, and related legal and consulting fees and expenses. With respect to individuals and third parties, Environmental

Expenses also includes Damages and Actions related to or arising from the exposure of persons to Regulated Materials at the work place or the exposure of persons or property to Regulated Materials migrating or otherwise emanating from or otherwise related to property comprising the Combined Sewer System. Notwithstanding anything to the contrary herein, Environmental Expense does not include, and the Authority does not assume any liability, Damages, Liens or other expense relating to Regulated Materials not emanating from and not related to the Acquired Assets.

“Environmental Regulation” shall mean all Laws in effect from time to time that relate to protection of the Environment, or public or employee health and safety, or relating to the production, generation, use, storage, treatment, processing, transportation, disposal or Release of Regulated Materials, the collection, treatment and discharge of sewage or stormwater, the management and operation of sewage treatment or stormwater collection, storage or treatment systems, or including common law trespass, nuisance, property damage and similar common law theories related to Regulated Materials or Environmental Conditions. The term “Environmental Law” includes, but is not limited to: (A) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675 (“CERCLA”); (B) the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613 (“SARA”); (C) the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§11001-11050; (D) the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k; (E) the National Environmental Policy Act, 42 U.S.C. §§ 4321-4370e; (F) the Safe Drinking Water Act, 42 U.S.C. §§ 300f to 300j-26; (G) the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692; (H) the Regulated Materials Transportation Act, 49 U.S.C. §§ 5101-5127; (I) the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387; (J) the Oil Pollution Act of 1990, 33 U.S.C. §§ 2701--2761; (K) the Rivers and Harbors Acts of 1899, 44 U.S.C. § 401 et seq. (L) the Clean Air Act, 42 U.S.C. §§ 7401-7671q; (M) the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§2011 et seq.; (N) the Low Level Radioactive Waste Policy Act, as amended, 42 U.S.C. §2021b et seq.; (O) any Occupational Safety and Health Law, including the Occupational Safety and Health Act, 29 U.S.C. §§651-678; (P) the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. §§ 6020.101 et seq.; (Q) the Pennsylvania Solid Waste Management Act, 35 P.S. §§ 6018.101 et seq.; (R) the Municipal Waste Planning, Recycling and Waste Reduction Act, 53 P.S. § 4000.101 et seq.; (S) the Pennsylvania Clean Streams Law, 35 P.S. §§ 691.1 et seq.; (T) the Pennsylvania Air Pollution Control Act, 35 P.S. §§ 4000.1 et seq.; (U) the Pennsylvania Storage Tank and Spill Prevention Act, 35 P.S. §§ 6021.101 et seq. (the “Storage Tank Act”); (V) the Combustible and Flammable Liquids Act, 35 P.S. §§1241-1252 (“CF Liquids Act”); (W) the Pennsylvania Dam Safety and Encroachments Act, 32 P.S. §§ 693.1 et seq.; (X) the Pennsylvania Land Recycling and Environmental Remediation Standards Act, 35 P.S. §§ 6026.101-6026.908; (Y) the Pennsylvania Worker and Community Right-to-Know Act, 35 P.S. §§ 7301-7320; (Z) the Pennsylvania Regulated Material Emergency Planning and Response Act, 35 P.S. §§ 6022.101-6022.307; (AA) the Pennsylvania Safe Drinking Water Act, 35 P.S. §§ 721.1-721.17 and (BB) the Pennsylvania Sewage Facilities Act, 35 P.S. §§ 750.1-750.20a, and in each case the regulations adopted pursuant to the above listed statutes.

“Equipment and Machinery” shall mean all the equipment, tangible personal property, machinery, fixtures, tooling, spare maintenance or replacement parts, environmental testing equipment and vehicles owned or leased by the City to be transferred to the Authority which are primarily used or necessary in the operation of the Sewer Collection System. Without limiting



the foregoing, such equipment and machinery shall include the televising truck and vactor truck used by the City in connection with the operation of the Sewer Collection System.

"Excluded Liabilities" shall have the meaning ascribed thereto in Section 2.4(b).

"General Fund" shall mean [COULD THE CITY PLEASE PROVIDE A DEFINITION FOR THE CITY "GENERAL FUND" OR LET ME KNOW IF THERE IS A PUBLIC REGULATION OR STATUTE THAT DEFINES IT THAT I CAN REFER TO?].

"Governmental Authority" shall mean any federal, state, local, foreign, or other court, board, body, commission, agency, authority or instrumentality, arbitral authority, self-regulatory authority, mediator or tribunal, including regulatory authorities and taxing authorities.

"Governmental Directive" shall have the meaning set forth in Section 2.4.

"Laws" shall mean and include any and all applicable federal, state and local laws, rules, codes, ordinances, regulations, circulars, orders of any court, governmental entities, bodies, authorities or agencies applicable to the Combined Sewer System including the work, services or activities performed by or on behalf of the City.

"Licenses and Permits" shall mean all licenses, permits, franchises, authorizations, certificates, registrations, consents, orders, variances, waivers and approvals issued or granted by Governmental Authorities to the City, or pursuant to which the City operates, that relate directly or indirectly to the operation of the Combined Sewer System, including, but not limited to, the NPDES Permit and the MS4 Permit, and Pennsylvania Department of Environmental Protection permits PAG-08 Beneficial Use of Biosolids PAG-083597 and Synthetic Minor-Air Quality State Only Permit No. 22-06045.

"Liens" shall mean and include any and all types or kinds of liens, charges, claims, encumbrances, adverse claims, security interests upon real or personal property or claims or demands of any kind whatsoever, arising, in any manner, from or relating to this Agreement, the Combined Sewer System or any work, project, services or activities performed under or in connection with the Combined Sewer System or related agreements.

"Mayor" shall mean the individual elected as mayor of the City of Harrisburg pursuant to the Optional Third Class City Charter Law.

"MS4 Permit" shall mean NPDES General Stormwater Discharge Permit No. PAG-13, effective March 16, 2013 through March 16, 2018, under which the City of Harrisburg has coverage under Authorization No. PAG-133686.

"NPDES Permit" shall mean NPDES Permit No. PA 0027197, issued to the Harrisburg Authority, effective January 1, 2010.

"Original Agreement No. 1" shall mean the Agreement, dated January 29, 1958, among the City of Harrisburg and the Suburban Communities party thereto and a Supplemental

Agreement, dated December 10, 1963, between the City and the Suburban Communities part thereto.

"Original Agreement No. 2" shall mean the Agreement, dated January 29, 1958, among the City of Harrisburg and the Suburban Communities party thereto and a Supplemental Agreement, dated November 10, 1959, between the City and the Suburban Communities part thereto.

"Partial Consent Decree" shall mean any consent decree entered into between the United States Environmental Protection Agency, the Authority and the City concerning civil penalties for past noncompliance, the Biological Nutrient Reduction Plan, ammonia limits, operation and maintenance of the Nine Minimum Control Measures for MS4 work, and development of a Long Term Control Plan.

"Party" shall mean either the City or the Authority and "Parties" shall mean both the City and the Authority.

"Permitted Encumbrance" shall mean, with respect to the Sewer Collection System, and in each case related to the operation of the Acquired Assets: (i) any Lien, that is being contested, or being caused to be contested, by the City by appropriate proceedings; (ii) any inchoate materialmen's, mechanics', workmen's, repairmen's, employees', carriers', warehousemen's or other like encumbrances arising in the ordinary course of business of the Sewer Collection System; (iii) any recorded easement, covenant, condition, right-of-way, servitude, encroachment, reservation or any zoning, building, environmental, health or safety law relating to the development, use or operation of the Sewer Collection System (or other similar reservation, right and restriction), any matter that would be apparent upon an accurate survey or inspection of the Sewer Collection System, or other defects and irregularities in the title to the Sewer Collection System that do not materially interfere with the Sewer Collection System ownership, operations or the rights and benefits of the Authority under this Agreement or materially impair the value of the Sewer Collection System; (iv) the Reserved Powers, (v) any right reserved to or vested in any Governmental Authority (other than the City) by any statutory provision or under common law; (vi) any other Lien specifically permitted hereunder; (vii) any Lien created, incurred, assumed or suffered to exist by the Authority or any person claiming through it; (viii) any rights reserved to or vested in the City by any statutory provision; (ix) any grants or leases of oil, gas, coal or mining interests; and (x) the City Access Rights.

"Regulated Material" shall mean any (A) hazardous substance as defined by any Environmental Regulations, (B) any petroleum or petroleum product, oil or waste oil; (C) asbestos that is or may become friable; (D) polychlorinated biphenyls; (E) urea formaldehyde foam insulation; (F) radioactive materials or radon gas; (G) hazardous material, toxic substance, toxic pollutant, solid waste, residual waste, municipal waste, industrial waste, hazardous waste, flammable material, radioactive material, pollutant or contaminant or words of similar meaning and regulatory effect under any applicable Environmental Regulations; and (H) other chemical, material, or substance exposure to which or whose discharge, emission, disposal or release is prohibited, limited, or regulated under any applicable Environmental Regulations. "Regulated Material" includes any mixture or solution of the foregoing, and all derivatives or synthetic substitutes of the foregoing.

"Reserved Powers" shall mean any powers reserved by the City herein or required by Law to be vested in the City with respect to the Sewer Collection System.

"Second Supplemental Agreement" shall mean that certain Second Supplemental Agreement dated September 15, 1976 by and among, the City of Harrisburg, the Harrisburg Sewerage Authority, the Borough of Penbrook, the Borough of Paxtang, the Township of Swatara, the Township of Susquehanna, the Township of Lower Paxton, Swatara Township Authority, Lower Paxton Township Authority, Susquehanna Township Authority, the Borough of Steelton and Steelton Borough Authority.

"Section 308 Letters" shall mean letters issued by the United States Environmental Protection Agency to the City under Section 308 of the Federal Clean Water Act, including, but not limited to those letters issued on February 14, 2012, April 17, 2013 and May 30, 2013 and the City's responses thereto.

"Sewer Collection System" shall have the meaning set forth in the Recitals to this Agreement.

"Shared Services Agreement" shall have the meaning set forth in Section 5.2(d)(iv).

"Suburban Agreements" shall mean Original Agreement No. 1, Original Agreement No. 2, and the Second Supplemental Agreement.

"Suburban Claims" shall mean claims against and recoveries from Suburban Communities arising out of or related to the Suburban Agreements for claims that arose on or after March 1, 2012.

"Suburban Communities" shall mean the Borough of Penbrook, the Borough of Paxtang, the Township of Swatara, the Township of Susquehanna, the Township of Lower Paxton, Swatara Township Authority, Lower Paxton Township Authority, Susquehanna Township Authority, the Borough of Steelton and Steelton Borough Authority.

"Trade Payable" shall mean any current liability representing an amount owed by the City in respect of the Acquired Assets, the Combined Sewer System or the Authority Wastewater Facilities, whether arising from the purchase of merchandise, materials, supplies or services or the Sewer Service Agreements, payment to Water and Sewer Employees, any Damages the nature of which relates to failure to pay or perform any of the foregoing, and all other amounts typically deemed current liabilities, in each case to the extent constituting a current liability, outstanding as of the Closing Date.

"Transaction Documents" shall have the meaning set forth in Section 5.2(d).

"Transition Operating Agreement" shall have the meaning set forth in Section 2.7.

"Water System" shall mean the water system owned by the Authority.

"Water, Wastewater and Stormwater Systems Transition Agreement" shall mean the Water, Wastewater and Stormwater Systems Transition Agreement by and between the City and the Authority referred to in Section 5.2(d)(v).

1.2. "Shall" This word is a word of command, carries an imperative meaning, creates a mandatory duty and in usage in this Agreement, means must or mandatory unless such meaning or application of the foregoing would result in a construction clearly inconsistent with the manifest intent, purpose or objectives of this Agreement.

1.3. The word "include" means include, without limitation, and the word "including" means including, but not limited to.

1.4. The words "and" or "or" shall mean and include both the conjunctive and the disjunctive whenever necessary or advisable to give the provision its intended meaning and effect.

## ARTICLE 2 — TRANSFER OF ASSETS

2.1. Transfer of Sewer Collection System. On the Closing Date, the City will transfer, convey, assign and deliver all of the City's right, title and interest in the property comprising the Sewer Collection System, subject to the Permitted Encumbrances, including without limiting the generality of the foregoing (collectively, the "Acquired Assets"):

(a) all real property interests owned, licensed or leased by the City and primarily used or necessary in the operation of the Sewer Collection System, including all underground pipes, interceptors, inlets, storm sewer outfalls, combined sewer overflow regulators and outfalls, and all easements, rights-of-way, access agreements and licenses, whether considered real property, fixtures or personal property;

(b) all personal property, fixtures and fixed assets, including Equipment and Machinery, system pipes, auxiliary equipment and plant equipment, owned, licensed or leased by the City and primarily used or necessary in the operation of the Sewer Collection System;

(c) all Licenses and Permits owned, held, possessed or entitled in the name of the City, or in which the City has rights;

(d) The Collection System Revenue Account, the Sewer Collection System Reserve Account, and any other sewer revenues, funds, accounts or cash and cash equivalents that represent revenues generated by the operation of the Sewer Collection System except as otherwise provided in this Agreement and specifically excluding the City's General Fund (except to the extent the City's General Fund includes funds of the Collection System Revenue Account, the Sewer Collection System Reserve Account, and any other sewer revenues, funds, accounts or cash specifically set forth in this Section 2.1(d) (except as provided in Section 2.6), all of which funds and accounts shall be included in the Acquired Assets);

(e) all files, information, books, blueprints, maps, diagrams, ledgers, surveys, reports, books of account and other management documents, resolutions, rules and regulations, and all other records relative to the Combined Sewer System.

(f) all assignable warranties, indemnities and guarantees related to and/or necessary for the operation of the Acquired Assets; and

(g) any and all other tangible and intangible assets owned, leased or licensed by the City used continuously, in an uninterrupted fashion, to provide the sanitary, sewer, storm water and wastewater collection, services that have or should have been provided prior to Closing, or to operate the Sewer Collection System.

The parties will reconcile any amounts due as described in Section 7.5 following the completion of their respective 2013 audited financial statements.

2.2. [Omitted.]

2.3. Consideration. The consideration for the transfer of the Acquired Assets from the City to the Authority shall be the assumption of the Assumed Liabilities, the execution and delivery of the other Transaction Documents (including the Shared Services Agreement) and the performance of the obligations set forth in this Agreement. The parties acknowledge and agree that the consideration provided for in this Agreement represents fair consideration and reasonable equivalent value for the sale and transfer of the Sewer Collection System and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's length good faith negotiations between the parties and their respective representatives.

2.4. Assumed and Excluded Liabilities.

(a) On the Closing Date, the Authority shall assume the obligations and liabilities of the City described in this Section 2.4(a); provided, that such liabilities (i) were incurred in the ordinary course of operating the Acquired Assets; (ii) were not the result of the City's (or its agents') gross negligence, misappropriation of funds or failure to comply with commercially reasonable practices for managers of facilities and systems similar to the Acquired Assets; and (iii) may be legally charged to rate payers or other customers of the Acquired Assets (collectively, the "Assumed Liabilities");

(i) All debts, duties, liabilities and obligations of the City which occur, arise out of or relate to the Acquired Assets or the Authority Wastewater Facilities;

(ii) Subject to Section 2.4(b)(i), Environmental Expenses and any obligation to bring the Combined Sewer System into compliance with Environmental Regulations, as well as obligations for any pre-Closing contamination emanating from or related to the Acquired Assets or the Authority Wastewater Facilities;

(iii) Subject to Section 2.4(b), any claims for refunds, reimbursement, rebates and other amounts for which repayment is requested for Combined Sewer System service that occurred prior to the Closing Date;

(iv) Pre-Closing obligations pursuant to the Combined Sewer Service Agreements;

(v) Liability for sinkhole repair and remediation to the extent attributable to the Combined Sewer System or Water System.

(vi) the Licenses and Permits;

(vii) Trade Payables; and

(viii) Any amounts due to vendors in connection with goods or services provided for the Combined Sewer System prior to the Closing Date.

Notwithstanding anything to the contrary in this Agreement, to the extent that any liabilities, claims, Actions or Damages related to the Acquired Assets are or may be covered by insurance policies maintained at any time by or for the benefit of the City or the Authority, the parties will look first to such policies to provide coverage for such liabilities, claims, Actions and Damages before resorting to any provisions in this Agreement or in the other Transaction Documents pertaining to assumption or exclusion of liabilities, indemnities or otherwise, provided that to the extent that either Party is required to make payment or perform work before any such policies provide coverage relating to such matters, the parties may then resort to the provisions in this Agreement or in the other Transaction Documents while they attempt to obtain the full benefits of such policies.

(b) Other than the Assumed Liabilities, the Authority does not assume and shall not be liable for any obligations or liabilities of the City (collectively, the "Excluded Liabilities"), including but not limited to the following:

(i) Liabilities and obligations of the City to pay fines, penalties or other civil liabilities relating to compliance with Environmental Regulations, for Environmental Conditions or which are Environmental Expenses other than the costs of bringing the Combined Sewer System into compliance with Environmental Regulations, which compliance costs shall be an Assumed Liability;

(ii) Liability for sinkhole repair and remediation to the extent not attributable to the Combined Sewer System or Water System; and

(iii) Any and all liabilities, obligations, Damages and Actions related to the Suburban Agreements and/or Suburban Claims that arose out of events occurring prior to Closing.

(c) The Parties shall cooperate in good faith to resolve any dispute that arises regarding whether a sinkhole was or is attributable to the Combined Sewer System or Water System rather than another source, including providing information to each other and cooperating to investigate and determine the cause of the sinkhole.

(d) The provisions of this Agreement shall govern the allocation of obligations and liabilities between the Parties notwithstanding anything in any order, directive, consent order, consent decree or other agreement with Governmental Authorities (each a "Governmental Directive," including any consent decree or other Governmental Directive entered into by the Authority and/or the City with a Governmental Authority in connection with the transfer of the

Combined Sewer System or related to the Partial Consent Decree or the Section 308 Letters) concerning such obligations and liabilities.

2.5. Accounts Receivable. In the event that the City receives payment of any Accounts Receivable for the Sewer Collection System after the Closing Date then the City shall remit such payment to the Authority promptly.

2.6. Termination of Agreements. The City and Authority hereby terminate the Collection System Lease upon the transfer of the Acquired Assets pursuant to this Agreement. At the Closing, the City shall remit to the Authority the pro rata share of any and all sums collected or obtained by the City attributable to the Combined Sewer System, such as for general administrative expenses, to the extent they were transferred by the City to its General Fund as a prepayment for costs and other liabilities attributable to operations after Closing (as agreed upon by the City and the Authority in their reasonable discretion). Notwithstanding anything to the contrary in the immediately preceding sentence, the City shall not be required both to remit such sums to the Authority and provide a credit to the Authority for the exact same funds under the Shared Services Agreement. The Authority, on behalf of itself, its successors and assigns, hereby knowingly, voluntarily, fully and forever releases, acquits and discharges the City and its agents, employees, representatives, successors, and assigns, from any and all Actions or Damages (including any and all claims, charges, complaints, claims, cross-claims, third-party claims, counterclaims, contribution claims, liabilities, obligations, promises, agreements, controversies, causes of action, suits, rights, demands, costs, losses, debts, and expenses of any nature whatsoever), known or unknown, suspected or unsuspected, foreseen or unforeseen, which exists, or have existed, under the Collection System Lease except (a) to the extent otherwise set forth in this Agreement and (b) arising from any and all claims by any entity not a Party to this Agreement, such as claims by the Authority against the City for indemnity, contribution or other responsibility under this Agreement arising from such third-party claims.

2.7. Assignment of Permits. To the extent legally permissible, the City hereby assigns and transfers to the Authority, and the Authority accepts, all its right, title and interest in and to the Licenses and Permits. Further, the City shall cooperate and work with the Authority to cause reissuance, issuance and/or transfer, pre- and post-Closing, of the Licenses and Permits, and, in addition, to the extent that the Authority is not able to obtain transfer, assignment, issuance or reissuance of such Licenses and Permits at or immediately after Closing, the City and the Authority shall enter into a transition operating agreement, described in greater detail in Section 5.2(d)(vi) (the "Transition Operating Agreement") reasonably acceptable to both Parties to enable the Authority to perform all appropriate actions and operations pursuant to such Licenses and Permits as of Closing such that the Combined Sewer System may continue to operate after Closing as it did before Closing in an uninterrupted fashion. The Transition Operating Agreement shall continue in effect until such time as the Authority obtains all necessary permits and licenses.

### ARTICLE 3 — REPRESENTATIONS AND WARRANTIES BY THE CITY

Subject to Section 3.7, the City hereby represents and warrants to the Authority, as of the Effective Date and on the Closing Date as follows:

3.1. Authorization. The City has full power and authority to make, execute, deliver and perform the Transaction Documents.

3.2. Execution. This Agreement has been, and on the Closing Date the other Transaction Documents will be, duly and validly executed and delivered by the City and have been or shall be duly authorized by all necessary or advisable governmental and other action all as required by applicable Laws including all authorizations and approvals by the City Council, the Mayor and the Controller and constitutes (or upon such execution and delivery will constitute) legal, valid and binding obligations of the City enforceable against the City in accordance with all of the terms and provisions in this Agreement.

3.3. No Conflicts. Assuming that the City obtains all necessary consents with respect to the assignment or transfer of the Combined Sewer Service Agreements and Licenses and Permits, the execution, delivery and performance of this Agreement by the City and the consummation by the City of the transactions contemplated in this Agreement will not: (a) breach or result in a default (or an event which, with the giving of notice or the passage of time, or both, would constitute a default) or otherwise give any person a basis for accelerated or increased rights or termination or nonperformance under any Combined Sewer Service Agreements; (b) result in the violation of any provision of applicable Laws or (c) result in the creation or imposition of any Liens upon any of the Combined Sewer System.

3.4. Title to Property; Encumbrances. Excepting Permitted Encumbrances, the City has title to the Acquired Assets free and clear of all Liens.

3.5. Insurance. At all times during the operation of the Combined Sewer System, the City has had in place a comprehensive policy of liability insurance (including self-insurance) providing coverage in the form and amounts suggested or required by the Commonwealth or applicable Laws relating to the Combined Sewer System, and the City shall continue to maintain said insurance for two (2) years with regard to all work, services and activities performed by or on behalf of the City during the period of its operation of the Combined Sewer System. The Authority shall be added as a named insured under said insurance and shall be provided a certificate evidencing same as provided in Section 7.6. Sewer Collection System AS-IS WHERE-IS. THE PARTIES AGREE THAT THE CITY IS CONVEYING THE SEWER COLLECTION SYSTEM TO THE AUTHORITY IN AN AS-IS WHERE-IS CONDITION WITH THE CITY OR ANYONE ACTING ON BEHALF OF THE CITY HAVING MADE NO WARRANTY, EXPRESS OR IMPLIED, OR REPRESENTATION TO THE AUTHORITY WITH RESPECT TO THE CITY OR THE SEWER COLLECTION SYSTEM EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT.

3.7. No Other Representations. Except for the representations and warranties made in this Article 3, the Authority understands and agrees that neither the City nor anyone acting on its behalf makes any express or implied representations or warranties with respect to the Combined Sewer System.



#### ARTICLE 4 — REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

4.1. Authorization. The Authority has full power and authority to make, execute, deliver and perform the Transaction Documents.

4.2. Execution. This Agreement has been, and on the Closing Date the other Transaction Documents will be, duly and validly executed and delivered by the Authority and have been or shall be duly authorized by all necessary or advisable governmental and other action all as required by applicable Laws and constitutes (or upon such execution and delivery will constitute) legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with all of the terms and provisions in this Agreement.

4.3. No Conflicts. The execution, delivery and performance of this Agreement by the Authority and the consummation by the Authority of the transactions contemplated in this Agreement will not: (a) breach or result in a default (or an event which, with the giving of notice or the passage of time, or both, would constitute a default) or otherwise give any person a basis for accelerated or increased rights or termination or nonperformance under any agreement by which the Authority or its assets are bound or (b) result in the violation of any provision of applicable Laws.

4.4. No Discharge. The Authority shall not cause or permit the Combined Sewer System to discharge stormwater onto the City's public parks without the City's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned

4.5. No Other Representations. Except for the representations and warranties made in this Article 4, the City understands and agrees that neither the Authority nor anyone acting on its behalf makes any express or implied representations or warranties with respect to the Combined Sewer System.

#### ARTICLE 5 — CLOSING AND CLOSING CONDITIONS

5.1. Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place on the Closing Date at such place as the parties may mutually agree.

5.2. Conditions Precedent to the Obligations of the Authority. The Authority's obligation to proceed with the Closing is subject to the satisfaction by the City on or prior to the Closing Date of each of the following conditions precedent:

(a) Performance. All of the covenants, conditions and provisions in this Agreement shall be complied with or performed by the City before or at the Closing.

(b) Representation and Warranties. All representations and warranties made by the City shall be correct, true and complete in all material respects, as of the Closing Date, with the same force and effect as though such representations and warranties had been made again on the Closing Date.

(c) Consents and Approvals. The City will have obtained or made each consent to assignment or transfer, authorization, approval, exemption, filing, registration or qualification, if

any, which are necessary (under applicable Laws or otherwise) for the City to execute, deliver and perform the Transaction Documents, or in the case of Licenses and Permits or Combined Sewer Service Agreements which are not transferable or for which a consent to assignment cannot be obtained, the Authority shall have satisfied itself that it will be able to obtain or enter into similar permits and agreements in its own name, or to otherwise obtain the benefits of such permits and agreements. Notwithstanding anything to the contrary in this section, the City shall have obtained express consent to assignment or transfer, authorization, approval, exemption, filing, registration or qualification, if any, from PENNVEST and Fulton Bank, as lenders to the Sewer Collection System or shall have obtained official evidence that the debt has been satisfied and legally defeased.

(d) Other Transaction Documents. The City and any other parties thereto (other than the Authority) will have executed and delivered to the Authority the following documents and instruments, in form and substance satisfactory to the Authority and its counsel, as are necessary or desirable in order to consummate the transactions contemplated hereby, each dated as of the Closing Date (together with this Agreement and any agreements listed in Section 5.3(d), the "Transaction Documents"):

- (i) a Bill of Sale in substantially the form agreed upon by the parties;
- (ii) an Assignment and Assumption Agreement in substantially the form agreed to by the parties (the "Assignment and Assumption Agreement");
- (iii) a special warranty deed in substantially the form agreed to by the parties (the "Deed");
- (iv) an executed copy of the Shared Services Agreement, dated as of the Effective Date, in substantially the form of Exhibit 5.2(d)(iv) (the "Shared Services Agreement");
- (v) an executed copy of the a Water, Wastewater and Stormwater Systems Transition Agreement, dated as of the Effective Date, in substantially the form of Exhibit 5.2(d)(v); and
- (vi) to the extent required by Section 2.7, a Transition Operating Agreement in substantially the form agreed to by the parties.

5.3. Conditions Precedent to the Obligations of the City. The City's obligation to proceed with the Closing is subject to the satisfaction by the Authority on or prior to the Closing Date of each of the following conditions precedent:

(a) Performance. All of the covenants, conditions and provisions in this Agreement shall be complied with or performed by the Authority prior to or at the Closing;

(b) Representation and Warranties. All representations and warranties made by the Authority shall be correct, true and complete in all material respects, as of the Closing Date, with the same force and effect as though such representations and warranties had been made again on the Closing Date;

(c) Other Transaction Documents. The Authority and any other parties thereto (other than the City) will have executed and delivered to the City the following documents and instruments, in form and substance satisfactory to the City and its counsel, as are necessary or desirable in order to consummate the transactions contemplated hereby, each dated as of the Effective Date or Closing Date, as applicable:

- (i) the Assignment and Assumption Agreement;
- (ii) the Shared Services Agreement;
- (iii) the Water, Sewer and Stormwater Systems Transition Agreement; and
- (iv) to the extent required by Section 2.7, the Transition Operating Agreement

#### ARTICLE 6 — REIMBURSEMENT, INDEMNIFICATION AND RELEASE

6.1. Reimbursement. From and after the Closing Date, the City or the Authority, as applicable, shall reimburse the other Party for all reasonable out-of-pocket legal costs incurred by such Party arising out of or resulting from the failure by the City or the Authority, as applicable, to perform or observe any agreement or condition to be performed or observed by such Party pursuant to this Agreement.

#### 6.2. Indemnifications

(a) Authority Indemnification of the City. From and after the Closing Date, the Authority shall release, defend, indemnify and hold harmless the City from and against any and all Damages and Actions arising out of or resulting from (i) the operation of the Sewer Collection System on or after the Closing Date, including damage or destruction to property of the City, (ii) the Assumed Liabilities, (iii) the failure by the Authority to perform or observe any agreement or condition to be performed or observed by the Authority pursuant to this Agreement and (iv) the Authority Closing Costs (as defined in Section 7.1).

(b) City Indemnification of the Authority. From and after the Closing Date, the City shall release, defend, indemnify and hold harmless the Authority from and against any and all Damages and Actions arising out of or resulting from (i) the operation of the Combined Sewer System prior to the Closing Date except for Assumed Liabilities or as otherwise set forth in this Agreement, (ii) actions or operations of the City after the Closing Date, including for damage or destruction to property of the Authority, (iii) the Excluded Liabilities, (iv) the failure by the City to perform or observe any agreement or condition to be performed or observed by the City pursuant to this Agreement, (v) any and all sums due, and any and all Actions and/or Damages attributable to, claims by any of the Suburban Communities or under the Suburban Agreements relating to actions or occurrences before Closing, and (vi) closing costs of the City related to the transactions contemplated by this Agreement and the Shared Services Agreement, including as set forth in Section 7.1 hereof, except to the extent otherwise agreed in other agreements between the City and the Authority.

## ARTICLE 7 — CERTAIN RESPONSIBILITIES

7.1. Responsibility for Closing Costs. In connection with the conveyance of the Sewer Collection System to the Authority, the Authority shall pay or cause to be paid (i) all recording fees for the no warranty deed to be delivered to the Authority, (ii) counsel fees of the Authority and any other consultants, brokers, or other advisors working with or providing assistance to the Authority, (iii) all title insurance obtained by the Authority and the cost of any due diligence investigations performed by the Authority with respect to the Sewer Collection System, (iv) all survey costs, (v) all other costs and expenses of the Authority in connection with the transactions contemplated by this Agreement, (vi) all fees and expenses related to any filings required to transfer title to the Equipment and Machinery and (vii) any additional costs and charges customarily charged to purchasers or sellers in accordance with common closing practices in Dauphin County (collectively, the "Authority Closing Costs"). The City shall be responsible for its reciprocal closing costs, except to the extent otherwise agreed in separate agreements between the City and the Authority.

7.2. Access Rights. (a) If at any time before, on or after the Closing Date, the City determines that, as a result of the transfer of the Acquired Assets and/or the City's rights related to the Authority Wastewater Facilities (i) it or any Party who needs access to such property is, or will likely be, unable to access any property in the same manner as before the Closing and (ii) such property is necessary or helpful to the City or such Party to properly and effectively operate any other assets owned, licensed, or leased by the City or such Party, then the Authority hereby agrees to grant to the City a right of entry and access rights so that the City can access the property at issue (the "City Access Rights"). As soon as practical after the request for City Access Rights, the Authority shall deliver to the City a legal document granting the City Access Rights in form and substance satisfactory to the City and the Authority, and which shall be in recordable form. A grant of City Access Rights shall be free of charge to the City. The City agrees to provide the Authority with appropriate notice of its intentions to assert its City Access Rights and agrees to assert such City Access Rights at reasonable times. Such access shall be conditioned on the City's agreement to repair any damages that result from its access to the property; to indemnify the Authority for any damages or liabilities that occur or arise as a result of such access; for review and approval of the work scope to ensure the City does not put at risk Authority property, rights or business operations; and such other appropriate provisions common to such agreements.

(b) Except to the extent addressed in Section 7.3, if at any time before, on or after the Closing Date, the Authority determines that (i) it or any Party who needs access to City property is, or will likely be, unable to access any property owned, operated or controlled by the City and (ii) such property is necessary or helpful to the Authority or such Party to properly and effectively operate the Combined Sewer System, then the City hereby agrees to grant to the Authority a right of entry and access rights so that the Authority can access the property at issue (the "Authority Access Rights"). As soon as practical after the request for Authority Access Rights, the City shall deliver to the Authority a legal document granting the Authority Access Rights in form and substance satisfactory to the City and the Authority, and which shall be in recordable form. A grant of Authority Access Rights shall be free of charge to the Authority. The Authority agrees to provide the City with appropriate notice of its intentions to assert its Authority Access Rights and agrees to assert such Authority Access Rights at reasonable times.

Such access shall be conditioned on the Authority's agreement to repair any damages that result from its access to the property; to indemnify the City for any damages or liabilities that occur or arise as a result of such access; for review and approval of the work scope to ensure the Authority does not put at risk City property, rights or business operations; and such other appropriate provisions common to such agreements.

(c) The City will cooperate with and assist the Authority, before and after Closing, at no cost to the Authority, to grant to the Authority and enable the Authority to obtain all easements necessary and appropriate for the use, access and operation of the Combined Sewer System, including without limitation granting new easements to the Authority enabling the Combined Sewer System facilities and structures to exist where they are located, granting customary access rights to such facilities, structures and easements, and to assign any such easement and/or access rights as the City may currently hold relating to such facilities and structures. To the maximum extent possible, all such easement rights will run with the land.

7.3. Use and Repair of the Public Right-of-Way. In using the public right-of-way in the operation and maintenance of the Combined Sewer System, the Authority agrees to comply with all applicable Laws of the City, whether presently in effect or enacted in the future, related to such rights-of-way. In the event that the Authority in operating, maintaining or extending the Combined Sewer System installs or repairs facilities in the public right-of-way, including but not limited to roads or sidewalks, the Authority will comply with all applicable Laws of the City with respect to restoration of such rights-of-way, including but not limited to roads and sidewalks, at the Authority's expense. The City agrees to assist the Authority and facilitate the efficient use and repair of public right-of-way and to coordinate with the Authority on road and other infrastructure repair projects to efficiently manage the respective assets.

7.4. Restrictions on Sale or Lease of the Sewer Collection System; Right of First Refusal. The City and the Authority hereby acknowledge and agree that:

(a) the Acquired Assets or any portion thereof will not in the future be transferred to, or owned by, directly or indirectly, a for-profit entity or for the benefit and profit of private investors or shareholders, unless such Acquired Assets or portion thereof is obsolete, abandoned or unnecessary for the operations of the Authority. Notwithstanding the prior sentence, the Acquired Assets may be mortgaged, secured or otherwise encumbered for the purposes of obtaining financing as it relates to the Acquired Assets.

(b) the City has requested and is hereby granted a right of first refusal to purchase all or substantially all of the Acquired Assets if the Authority, for any reason, was ever able to, and elected to, sell or dispose of all or substantially all of the Acquired Assets. In the event that the Acquired Assets or any portion thereof are offered for sale as part of a larger asset or different disposition involving other assets, as well, the City's right of first refusal pertains to all of the assets in question and not only to the Acquired Assets, and the City in such case does not have the option to purchase only the Acquired Assets (that is, if the City is going to make an offer, it must make one on all the assets the Authority intends to sell at such time). The right of first refusal granted in this Section 7.4(b) is an option for the City to purchase the assets in question at the amount of such offer to purchase or acquire the Acquired Assets. In order to exercise the right of first refusal granted hereunder, the Parties shall comply with the following procedure:

prior to entering into a binding agreement or term sheet with a third-party to sell the Acquired Assets, the Authority shall notify the City of the terms and conditions of such agreement. The City shall have forty-five (45) business days to indicate whether it elects to purchase the Acquired Assets (and other assets that are the subject of the sale) on the same terms and conditions as the third-party offer. If the City elects to purchase such assets, the City shall have ninety (90) days after the date of its election (or such longer period as is indicated in the agreement with the third-party) to consummate the purchase. If the City fails to respond to the Authority's notice of the sale, affirmatively elects to not purchase the assets or fails to close the acquisition within the 90-day period mentioned above, unless such failure to close is due to the unjustified actions or failure to act of the Authority, the Authority shall have the right to sell the Acquired Assets (and other assets) on the terms and conditions of the third-party offer.

(c) Notwithstanding anything to the contrary in this Section 7.4, no limitation on the Authority shall be permitted that will negatively affect its ability to satisfy claims of a creditor or rights of a lender of the Authority or on revenues of the Combined Sewer System.

7.5. Reconciliation of Funds and Accounts Following 2013 Audited Financial Statements. The City and the Authority hereby acknowledge and agree that they will reasonably reconcile Sewer Collection System financial assets, including Accounts Receivables and accounts payable, that were not paid or could not be paid on the Closing Date, promptly following completion of their respective 2013 audited financial statements. If the parties are unable to agree upon the reconciliation within sixty (60) days after both financial statements are complete, either Party may submit the dispute as provided in Section 8.9 by written notice to the other Party.

7.6. Annual Requirement to Maintain and Certify Insurance Coverage. For a period of two (2) years after the Closing, each of the City and the Authority shall be named as an additional insured on each other's insurance policies, as their interests may appear, related to the Acquired Assets and Assumed Liabilities. The insurance required to be maintained shall be as described in and subject to the terms of Section 3.5 hereof. Any disputes over levels of coverage, scope of coverage or other matters related to such insurance shall be resolved in good faith by mutual agreement based on the advice of each Party's insurance broker. Each Party will annually certify to the other Party that it is maintaining such insurance.

7.7. Right of Offset. Subject to approval of the other Party, a Party to this Agreement may offset any amounts owed by them under this Agreement against any amount owed to them by the other Party under this Agreement.

## ARTICLE 8 — MISCELLANEOUS

8.1. Notices. Any notice required or desired to be given to a person under the provisions in this Agreement shall be in writing and either personally delivered or delivered by sending the notice:

(a) by certified mail, return receipt requested, postage prepaid, or a reliable and reputable overnight courier service, charges prepaid, to the address set forth below. Notice pursuant to this paragraph shall be conclusively deemed to have been given to the person entitled thereto, upon the earlier of actual receipt or the second business day after deposit in the United States mail or

the next business day after timely deposit with an overnight courier service for delivery to that person; or

(b) by facsimile (with proof of transmission to the person's facsimile number) or e-mail (followed up by mailing a copy). Notice pursuant to this paragraph shall be deemed to have been given to the person entitled thereto on the date personally delivered or sent.

Whenever any notice or other communication is required to be given pursuant to the provisions of this Agreement, a waiver thereof, in writing, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed to be delivery of notice for the purposes of this Agreement.

8.2. Effect of Waiver or Consent. No course of dealing, custom or conduct nor any delay or failure on the part of the City or the Authority to exercise any right, power or remedy shall be or be deemed a waiver or release of such right, power or remedy or otherwise prejudice or impair the rights, powers, benefits and/or remedies of the City or the Authority. No waiver or release by the City or the Authority shall be valid or binding unless given in a writing signed by the City or the Authority to be charged with the waiver or release. A waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of any of its/his duties or obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Party or any other Party of the same or any other duties or obligations of that Party or any other Party with respect to this Agreement. Failure on the part of a Party to declare any Party in default or breach with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver or release by that Party of its rights with respect to that default or breach until the period of the applicable statute of limitations has expired.

8.3. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. If executed in multiple counterparts, this Agreement shall become binding when any counterpart or counterparts, individually or taken together, bear the signatures of all of the parties. This Agreement, to the extent signed and delivered by means of facsimile machine or other electronic transmission (including .pdf), shall be treated in all manner and respects and for all purposes as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. Neither Party shall raise the use of facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or other electronic transmission as a defense to the formation or enforceability of the Agreement and each Party forever waives any such defense.

8.4. Amendments and Binding Effect. All amendments to this Agreement must be in writing, signed by the City and the Authority and shall take effect immediately. Oral agreements to amend or change this Agreement, or any part thereof, shall not be valid or binding and the City and the Authority, for themselves and their successors, fully and forever waive and release any and all rights to make, assert or claim that this Agreement has been amended by an oral agreement. This Agreement and all provisions herein shall be binding upon and inure to the

benefit of the City and the Authority and their respective successors; provided that neither Party may assign or transfer any of its rights or interests under this Agreement without first obtaining the prior written consent of the other Party which consent will not be unreasonably withheld, delayed or conditioned.

8.5. Governing Law. This Agreement and the rights and duties of the City and the Authority shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

8.6. Severability. If any provision in this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable to any extent as to any person or circumstance under any present or future Laws, such findings shall not render that provision invalid or unenforceable as to any other persons or circumstances.

8.7. Interpretation and Construction. In no event shall any construction, interpretation, enforcement, presumption or inference, in favor of or against the City, the Authority or any person be made as a consequence of the identity of the draftsman of this Agreement. The City and the Authority covenant and agree that this Agreement shall be construed and interpreted in a neutral manner and in interpreting this Agreement, there shall be no presumption or inference, by operation of law or otherwise, that any provision or part of this Agreement shall be more strictly construed against any person for any reason whatsoever. In interpreting this Agreement, the use of any gender shall include all genders; the singular shall include the plural and the plural the singular and words used in the past or present tense shall include the future whenever necessary or advisable to produce the intended meaning or effect unless the application of the foregoing would result in a construction inconsistent with the manifest intent or objectives of the Agreement. All references to annexes, schedules or exhibits are to annexes, schedules or exhibits attached hereto, each of which is incorporated herein and made a part hereof for all purposes. The paragraph headings in this Agreement are for convenience only they do not form a part of this Agreement and shall not affect or be used in its construction or interpretation. The provisions in this Agreement, in all circumstances, shall always control and supersede any course of conduct, dealing, performance, custom or usage inconsistent or in conflict with any of the provisions in this Agreement.

8.8. Further Actions. The City and the Authority agree that each Party shall cooperate fully and act in good faith with the other Party and shall comply fully with all provisions and applicable Laws relating to the preparation and maintenance of complete and accurate records concerning the ownership, operation and maintenance of the Acquired Assets. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the intent or any of the purposes or objectives of this Agreement, the City and the Authority shall take or cause to be taken all such necessary, advisable or convenient action and execute, acknowledge, deliver and file all necessary, desirable or convenient documentation. Without limiting the foregoing, if either Party determines that all real property or personal property that comprises the Acquired Assets has not been legally conveyed to the Authority, such Party shall notify the other Party and the City shall take any action reasonably requested by the Authority to convey all of its right, title and interest in such property to the Authority, including, but not limited to, providing executed, recordable deeds and any other documents necessary to convey real property free and clear of Liens other than Permitted Encumbrances, and other evidences of ownership of real



property or easements to the Authority, and to cause such conveyances to be properly reflected in the public record, or signing additional bills of sale specifically listing items of personal property, and such other documents as may be reasonably necessary in connection with such conveyances. In addition, for the duration of the Authority's operation and/or maintenance of the Acquired Assets, the City shall cooperate with the Authority and take any and all actions necessary, including payment of any amount necessary, to cause any Liens (other than Permitted Encumbrances) on Acquired Assets to be promptly removed.

#### 8.9. Arbitration.

##### (a) Mandatory Mediation.

(i) Unless the Parties agree to submit their claim to binding arbitration in accordance with Section 5.9 b)(i), it is the intent of the Parties to resolve any disputes between them whenever possible by mutual and voluntary settlement. In support of this, the Parties acknowledge that if a dispute arises out of or relates to this Agreement, including any dispute as to the validity, scope or enforceability of this clause or any clause of this Agreement, or as to any breach of the Agreement, and cannot be settled through negotiation, they hereby agree to submit the dispute to mediation before resorting to litigation or some other dispute resolution procedure.

(ii) The mediator shall be selected by mutual agreement of the Parties. In the event the Parties are unable to agree to a mediator within fifteen (15) days of a Party declaring an impasse in informal negotiations, they shall use the mediation services of ADR Options located at Two Commerce Square, Suite 1100, 2001 Market Street, Philadelphia, PA 19103-7044.

(iii) The Parties recognize and acknowledge that mediation is a process to assist them to resolve their disputes by making their own free and informed choices, and that the neutral mediator will have no authority to impose a settlement upon any Party.

(iv) If the Parties do not reach a mutually agreeable settlement within 60 days of the initiation of the mediation, or any mutually agreed upon extensions thereof, they may pursue any other dispute resolution method available to them, as stated in this Agreement.

(v) The mediation will take place at a reasonably convenient location to be agreed upon by the Parties or determined by the mediator. Recognizing the Parties are publicly funded bodies whose acts impact local tax and utility rates, and in order to responsibly ensure a cost efficient and equitable process for resolution, the Parties pledge cooperation in using available cost-saving measures to confer and communicate on these matters, including telephone, video or online conferencing whenever practicable and cost effective.

##### (b) Binding Arbitration Option.

(i) Mutual Agreement. The Parties may agree, at any time, to have a dispute resolved by binding arbitration without waiving the right to proceed under any other dispute resolution option provided in this Agreement in other pending or future disputes. Both Parties must agree, in writing, to submit a specific claim to binding arbitration. If a Party requests binding arbitration, failure by the other party to consent in ten (10) days shall be deemed non-consent.

(ii) No Withdrawal. Once agreed to by all Parties in writing, no Party may withdraw their consent to binding arbitration unless the Parties amicably resolve the dispute prior to an award.

(iii) Finality. Whenever the Parties mutually opt for binding arbitration, the matter shall be solely and finally settled in that manner without right of appeal except for those grounds stated under the Pennsylvania Uniform Arbitration Act.

(iv) Proceedings. The binding arbitration proceedings shall be held in Harrisburg, Pennsylvania before an arbitration panel of three (3) arbitrators. Each Party shall designate one arbitrator (the "Designated Arbitrators") within thirty (30) days of the Parties' agreement to submit a matter to binding arbitration and the Designated Arbitrators shall, within fifteen (15) days of the appointment of the last Designated Arbitrator, mutually agree upon a third arbitrator. In the event the Designated Arbitrators cannot agree upon a third arbitrator, arbitration shall be before one arbitrator appointed by ADR Options located at Two Commerce Square, Suite 1100, 2001 Market Street, Philadelphia, PA 19103-7044. In the event ADR Options is not available, arbitration shall be before an arbitration panel of three arbitrators comprised of the two Designated Arbitrators and a third arbitrator appointed by the Dauphin County Court of Common Pleas upon application to said court. Formal service of the application shall be waived and the Notice shall be delivered to each arbitrator and counsel for all Parties by electronic means. The cost of any filing fee, or any other cost, for seeking judicial appointment of the third arbitrator shall be equally born by the Parties, with the non-moving Party required to promptly reimburse the petitioning Party for its proportional share of that expense.

(v) Controlling Procedures. Unless otherwise provided for by agreement of the Parties, or law or regulation governing the Parties, any arbitration proceedings shall be conducted in accordance with the Pennsylvania Uniform Arbitration Act, 42 Pa. C.S.A. §7301 et seq.

(c) Judicial Process.

(i) The Parties shall have the right to seek judicial relief in any dispute, other than where they have opted for binding arbitration, within 60 days after the: (a) cessation of any mediation proceedings, as declared, in writing, by the mediator or (b) by the expiration of sixty (60) days from the start of the Mediation, as stated in Section 5.9 a)(iv), above. The proceeding shall be *de novo* and otherwise subject to all applicable rules of court, except as set forth in subparagraph 5.9(c)(ii):

(ii) WAIVER OF JURY TRIAL AND ACKNOWLEDGMENT OF JURISDICTION. NO PARTY INVOLVED IN ANY LEGAL OR EQUITABLE PROCEEDINGS SHALL ELECT OR DEMAND A TRIAL BY JURY IN CONNECTION WITH ANY CLAIM, CONTROVERSY, ACTION OR DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR IN THE PERFORMANCE OR ENFORCEMENT THEREOF. THE CITY AND THE AUTHORITY, FOR THEMSELVES AND THEIR SUCCESSORS:

(1) SPECIFICALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO DEMAND AND HAVE A TRIAL BY JURY;

(2) ACKNOWLEDGE, CONSENT AND AGREE THAT THE COURT OF COMMON PLEAS OF DAUPHIN COUNTY, PENNSYLVANIA, SHALL HAVE EXCLUSIVE JURISDICTION AND VENUE TO HEAR AND DETERMINE ANY AND ALL CLAIMS, CONTROVERSIES, ACTIONS OR DISPUTES RELATING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT; AND SO

(3) EXPRESSLY ACKNOWLEDGE, SUBMIT AND CONSENT IN ADVANCE TO SUCH EXCLUSIVE JURISDICTION AND THE EXERCISE OF PERSONAL JURISDICTION OVER THEM BY THE SAID COURT.

(d) Appeal Rights. Nothing within this Agreement shall be deemed a waiver of any right of appeal that would be available to any Party to a civil dispute before the courts of the Commonwealth of Pennsylvania, excepting only those instances, if any, when the Parties mutually opt to submit a dispute to binding arbitration in which case the only right to appeal shall be the grounds stated under the Pennsylvania Uniform Arbitration Act.

(e) Administrative Fees and Costs. For all dispute resolution methods outlined above, each Party shall be responsible for its costs and those of its advisors and Designated Arbitrators. The Parties each shall pay one half of all costs and fees charged by a neutral arbitrator or mediator.

8.10. Entire Agreement. This instrument, annexes hereto, any documents incorporated herein and any duly executed amendments contain the entire agreement and understandings by and between the City and the Authority with respect to the subject matter hereof and supersedes all prior and contemporaneous inducements, agreements and/or understandings, express or implied, oral or written, with respect thereto.

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IN WITNESS WHEREOF, the City and the Authority, by their duly authorized representatives, have signed and sealed this Agreement effective as of the date first set forth above.

**THE CITY OF HARRISBURG**

By: 

Name:

Title:

Mayor

By: 

Name:

Title:

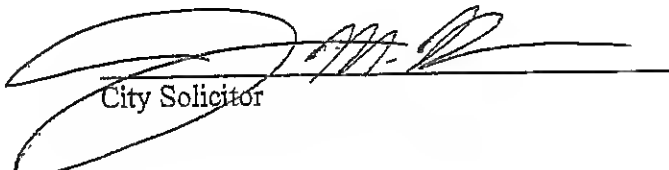
William B. Lynch  
RECE. VET

By: 

Name:

Title:

APPROVED AS TO FORM AND LEGALITY:

  
City Solicitor

**THE HARRISBURG AUTHORITY**

By: 

Name: William J. Cluck

Title: Chairman

By: 

Name: J. Marc Kurowski

Title: Secretary-Treasurer

By: 

Name: Westburn Majors

Title: Vice Chairman

EXHIBIT 5.2(D)(IV)

**Shared Services Agreement**

EXHIBIT 5.2(D)(V)

**Water, Sewer and Stormwater  
Systems Transition Agreement**

WATER, WASTEWATER AND STORMWATER SYSTEMS  
TRANSITION AGREEMENT—CITY OF HARRISBURG

THIS TRANSITION AGREEMENT (this "Agreement") is made effective as of November 4, 2013 (the "Effective Date"), by and between the CITY OF HARRISBURG, a political subdivision of the Commonwealth of Pennsylvania, and a third class city under the Third Class City Code, 53 P.S. §35101 *et seq.*, having an office located at 10 North Second Street, Harrisburg, PA 17101 (the "City") and THE HARRISBURG AUTHORITY, a Pennsylvania municipal authority, duly formed and organized under the Municipality Authorities Act, 56 P.S. § 5601 *et seq.*, having an office located at 212 Locust Street, Suite 302, Harrisburg, PA 17101 (the "Authority").

WITNESSETH:

WHEREAS, the City owns and operates a combined wastewater and stormwater collection system, a separate wastewater sewer system, and a separate stormwater sewer system (collectively, the "Sewer Collection System");

WHEREAS, the Authority owns a wastewater conveyance system and advanced wastewater treatment facility (the "Authority Wastewater Facilities" and together with the Sewer Collection System, the "Combined Sewer System");

WHEREAS, the City operates the Authority Wastewater Facilities under the Conveyance and Treatment System Lease;

WHEREAS, the Authority owns a water system (the "Water System") and the City operates the Water System under a Management Agreement;

WHEREAS, the City provides billing, payment processing, and collections services for the Water System and the Combined Sewer System, as well as for the City's Sanitation Enterprise Fund (collectively, the "Utilities");

WHEREAS, the City and the Authority acknowledge that the Water System and the Combined Sewer System can more effectively be owned, operated, managed and funded if the systems are operated on a combined basis by the Authority;

WHEREAS, the Authority needs to control the billing, payment processing, and collections of the Water System and Combined Sewer System revenue in order to efficiently obtain access to capital to operate and fund the maintenance of and improvements to the Water System and the Combined Sewer System;

WHEREAS, the Authority is qualified and desires to own and operate the Combined Sewer System and the Water System;

WHEREAS, the City intends to transfer to the Authority, and the Authority intends to acquire and operate, the Sewer Collection System pursuant to an agreement currently under consideration (the "Transfer Agreement"); and

WHEREAS, the City and the Authority intend to transition operation of the Water System and Combined Sewer System from the City to the Authority prior to the Closing under the Transfer Agreement pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and, intending to be legally bound, the parties hereto covenant and agree as follows intending to be legally bound hereby:

## ARTICLE 1 — DEFINITIONS

1.1. **Definitions.** Unless otherwise defined in this Agreement or the context otherwise requires, the terms or words defined in this Article and other terms or words defined in this Agreement, whenever used in this Agreement, shall have the meaning specified in this Article for all purposes of the Agreement, applicable to both the singular and plural forms of any of the terms or words defined in this Agreement.

"Action" shall mean and include any actual or threatened claim, action, order, consent order, decree or agreement, suit, arbitration, bearing, inquiry, proceeding, complaint, charge or investigation by or before any local, state or federal court, governmental department, commission, board, agency, authority, tribunal or arbitrator and any appeal from any of the foregoing.

"Accounts Receivable" shall mean all trade accounts receivable and other rights to payment from rate payers of the Combined Sewer System and/or the Water System prior to the Effective Date and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect to services represented to rate payers of the Combined Sewer System and/or the Water System prior to the Effective Date and any claim, remedy or other right related to the foregoing.

"Agreement" shall mean this Agreement as it may be duly amended, modified, supplemented or restated from time-to-time in accordance herewith.

"Authority Wastewater Facilities" shall have the meaning set forth in the recitals of this Agreement.

"Authority Pension Plan" shall have the meaning set forth in Section 4.1(d) of this Agreement.

"Closing" shall have the meaning given such term in the Transfer Agreement.

"Closing Date" shall have the meaning given such term in the Transfer Agreement.

"Collection System Lease" shall mean that certain Agreement of Lease dated January 15, 1998, as amended, by and between the City and the Authority, with respect to the leasing of certain assets related to the City's combined wastewater and stormwater collection system, a wastewater sewer system, and stormwater sewer system.

"Combined Sewer System" shall have the meaning set forth in the recitals to this Agreement.

"Combined Sewer Service Agreements" shall mean the contracts, agreements, leases, licenses and commitments to the extent related to the Combined Sewer System to which the City is a party, including without limitation the Suburban Agreements.

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"Controller" shall mean the individual elected as Controller of the City of Harrisburg pursuant to the Optional Third Class City Charter Law.

"Conveyance and Treatment System Lease" shall mean that certain Agreement of Lease dated as of September 15, 1976, as supplemented by that certain First Supplemental Agreement of Lease dated as of June 15, 1978, that certain Second Supplemental Agreement of Lease dated as of October 1, 1984, that certain Third Supplemental Agreement of Lease dated as of January 15, 1988, that certain Amendment to Second Supplemental Agreement of Lease and Third Supplemental Agreement of Lease dated as of December 23, 1988, and that certain Fourth Supplemental Agreement of Lease dated as of December 23, 2009.

"Damages" shall mean any damages, losses, liabilities, costs and expenses (including without limitation reasonable attorneys' fees and court costs), deficiencies, claims, awards, judgments, settlements, interest, actions, penalties, or fines of any kind whatsoever in law or in equity.

"Labor Agreement" shall have the meaning set forth in Section 4.1(a).

"Laws" shall mean and include any and all applicable federal, state and local laws, rules, codes, ordinances, regulations, circulars, orders of any court, governmental entities, bodies, authorities or agencies applicable to the Sewer Collection System including the work, services or activities performed by or on behalf of the City.

"Licenses and Permits" shall mean all licenses, permits, franchises, authorizations, certificates, registrations, consents, orders, variances, waivers and approvals issued or granted by Governmental Authorities to the City, or pursuant to which the City operates, that relate directly or indirectly to the operation of the Water System and Authority Wastewater Facilities.

"Management Agreement" shall mean that certain Second Amended and Restated Management Agreement, dated February 1, 1992, as amended, pursuant to which the City operates the water system.

"Operations and Revenue Employee" shall have the meaning set forth in Section 4.1(a)(ii).

"Original Agreement No. 1" shall mean the Agreement, dated January 29, 1958, among the City of Harrisburg and the Suburban Communities party thereto and a Supplemental Agreement, dated December 10, 1963, between the City and the Suburban Communities part thereto.

"Original Agreement No. 2" shall mean the Agreement, dated January 29, 1958, among the City of Harrisburg and the Suburban Communities party thereto and a Supplemental Agreement, dated November 10, 1959, between the City and the Suburban Communities party thereto.

"Pension Obligations" shall mean all costs related to the pension benefits to which Transferred Employees and other City employees who obtain employment with the Authority will be entitled as the result of transferred service credit to the Authority Pension Plan under the portability policies of the Pennsylvania Municipal Retirement System or service with the Authority.

"Person" shall mean a natural person, corporation, municipality, governmental entity or authority, general or limited partnership, limited liability company, joint venture, trust, estate,

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association or any other legal entity or organization.

"Post-Retirement Healthcare Obligations" shall mean all costs incurred by the City for post-retirement healthcare benefits provided (or to be provided) to Water and Sewer Retirees, the expenses for which are currently reimbursed by the revenues generated pursuant to the Sewer Collection System and the Water System or by funds allocated to the Water and Sewer Bureau of the City of Harrisburg, including, but not limited to, self-insured benefits (including any supplemental coverage for retirees who are Medicare eligible) reimbursement for supplemental coverage and stop loss insurance.

"Property" shall mean and include all personal property including all materials, supplies, machinery, fixtures, equipment, tools, parts, motor vehicles and all other property of every kind or nature, wherever located and owned, leased or acquired, in any manner, by the City or in the possession or control of the City, its agents, employees or representatives or to which the City is entitled under or in connection with or related to the Sewer Collection System.

"Provision" shall mean and include each condition, restriction, agreement, part and term in this Agreement.

"Second Supplemental Agreement" shall mean that certain Second Supplemental Agreement dated September 15, 1976 by and among, the City of Harrisburg, the Harrisburg Sewerage Authority and the Suburban Communities.

"Shared Services Agreement" shall mean the agreement, dated as of the Effective Date, by and between the City and the Authority related to the provision by each such party of services to the other party and the allocation of cost, liability, responsibility among such parties and matters related thereto.

"Suburban Agreements" shall mean Original Agreement No. 1, Original Agreement No. 2, and the Second Supplemental Agreement.

"Suburban Communities" shall mean the Borough of Penbrook, the Borough of Paxtang, the Township of Swatara, the Township of Susquehanna, the Township of Lower Paxton, Swatara Township Authority, Lower Paxton Township Authority, Susquehanna Township Authority, the Borough of Steelton and Steelton Borough Authority.

"Successors" shall mean and include, as applicable, a person's assigns, personal representatives, executives, administrators, guardians or other legal representatives, heirs, successors or any person-in-interest.

"Transfer Agreement" shall mean that certain agreement between the City and the Authority of even date herewith entitled the "Transfer Agreement Harrisburg Sewer Collection System".

"Transferred Employees" shall have the meaning set forth in Section 4.1.

"Water and Sewer Bureau Employee" shall have the meaning set forth in Section 4.1.

"Water and Sewer Employee" shall have the meaning set forth in Section 4.1.

"Water and Sewer Retiree" shall have the meaning set forth in Section 4.1.

"Water System Agreements" shall have the meaning set forth in Section 2.1.

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1.2. "Shall" This word is a word of command, carries an imperative meaning, creates a mandatory duty and in usage in this Agreement, means must or mandatory unless such meaning or application of the foregoing would result in a construction clearly inconsistent with the manifest intent, purpose or objectives of this Agreement.

1.3 The word "include" means include, without limitation, and the word "including" means including, but not limited to.

1.4 The words "and" or ("or") shall mean and include both the conjunctive and the disjunctive whenever necessary or advisable to give the provision its intended meaning and effect.

## ARTICLE 2 — TERMINATION OF AGREEMENTS AND TRANSFER OF ASSETS

2.1 Transfer of Water System Operations. Effective on the Effective Date, the Management Agreement shall be terminated and the City shall identify and assign to the Authority all contracts for goods and services related to the operation of the Water System (the "Water System Agreements").

2.2 Transfer of Authority Wastewater Facilities' Operations. Effective on the Effective Date, the Conveyance and Treatment System Lease shall be terminated and the City will identify and assign to the Authority all contracts for goods and services related to the operation of the Authority Wastewater Facilities (the "Authority Wastewater Facilities Agreements").

2.3 Transfer of Water and Authority Wastewater Facilities Assets. Effective on the Effective Date, the City will transfer, convey, assign and deliver to the Authority all of the City's right, title and interest in any property comprising the Water System and/or Authority Wastewater Facilities owned by the City, free and clear of any and all liens, security interests and other encumbrances (unless specifically identified by the City and agreed to by the Authority), or in which the City has an interest, including without limiting the generality of the foregoing, the following assets (collectively, the "Acquired Assets"):

(a) all real and personal property interests owned, licensed or leased by the City and primarily used or necessary in the operation of the Water System and/or Authority Wastewater Facilities, including all underground pipes, above- and below-ground storage tanks, treatment plants, and all easements, rights-of-way, access agreements and licenses, whether considered real property, fixtures or personal property;

(b) all personal property, fixtures and fixed assets, including Equipment and Machinery, system pipes, auxiliary equipment and plant equipment, owned, licensed or leased by the City and primarily used or necessary in the operation of the Water System and/or Authority Wastewater Facilities;

(c) all Licenses and Permits owned, held, possessed or entitled in the name of the City, or in which the City has rights;

(d) The Sewer Revenue Trust Fund, the Sewer Revenue Fund, the Sewer Reserve Account, the Accounts Receivable, the Water Operating Fund, all other water and/or sewer accounts and all other funds, other cash and cash equivalents that represent revenues generated by the operation of the Water and/or Authority Wastewater Facilities except as otherwise provided in this Agreement and specifically excluding the City's General Fund;

(e) all files, information, books, blueprints, maps, diagrams, ledgers, surveys,  
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reports, books of account and other management documents, resolutions, rules and regulations, and all other records relative to the Water System and/or Authority Wastewater Facilities;

(f) all Combined Sewer Service Agreements;

(g) claims against and recoveries from Suburban Communities arising out of or related to the Suburban Agreements for claims that arose on or after March 1, 2012 ("Suburban Claims");

(h) all assets and assignable warranties, indemnities and guarantees related to and/or necessary for the operation of the Acquired Assets; and

(i) any and all other tangible and intangible assets owned, leased or licensed by the City directly used continuously, in an uninterrupted fashion, to provide the water, wastewater conveyance and treatment services in the City and for the Suburban Communities that have or should have been provided prior to Closing.

(j) For the purpose of clarity, "Acquired Assets" shall not include the assets of the Sewer Collection System, unless such assets are necessary for the operation of the Water System and/or Authority Wastewater Facilities.

2.4 Assignment of Combined Sewer Service Agreements. To the extent that any of the Combined Sewer Service Agreements are not assignable or transferable without the consent of the issuer thereof or the other party thereto or any third party, including, without limitation, a Governmental Authority (a "Nonassignable SSA"), this Agreement shall not constitute an assignment or transfer of the Nonassignable SSA if such assignment or transfer or attempted assignment or transfer would constitute a breach thereof or a violation of any Law. At the request of the Authority, the City shall use reasonable efforts to obtain any consents or waivers necessary to any such assignment. To the extent that such consents or waivers are not obtained by the City on or before the Closing Date, the City agrees to cooperate with the Authority and to take such reasonable actions as the Authority may request in order to secure an arrangement designed to provide for the Authority the benefits of such Nonassignable SSA. To the extent that the Authority receives the benefit of any Nonassignable SSA, the Authority is aware it may be asked to assume and discharge any liability or obligation related to the benefits of such Nonassignable SSA. It is a condition of Closing that the Authority be satisfied that it has obtained the benefits of all Nonassignable SSAs.

2.5 Accounts Receivable. In the event that the City receives payment of any Accounts Receivable for the Combined Sewer System and/or the Water System after the Effective Date, then the City shall remit such payment to the Authority promptly.

2.6 Authority Authorized to Conduct Billing and Collect Water and Combined Sewer System Revenues. The City hereby assigns and transfers to the Authority, and the Authority hereby accepts, its right to collect and to keep all (i) Water System revenues and (ii) Combined Sewer System revenues, including all those previously collected by the City. The assignment and transfer in the preceding sentence is effective as of the Effective Date, but the Authority's right to receive proceeds from the sewer maintenance fees for the Sewer Collection System shall be effective as of the Closing under the Transfer Agreement.

2.7 Assignment of Permits. To the extent legally permissible, the City hereby assigns and

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transfers to the Authority, and the Authority accepts, all its right, title and interest in and to the Licenses and Permits. Further, the City shall cooperate and work with the Authority to cause reissuance, issuance and/or transfer, pre- and post-Effective Date, of the Licenses and Permits, and, in addition, to the extent that the Authority is not able to obtain transfer, assignment, issuance or reissuance of such Licenses and Permits at or immediately after the Effective Date, the City and the Authority shall enter into a transition operating agreement (the "Transfer Operating Agreement") reasonably acceptable to both Parties to enable the Authority to perform all appropriate actions and operations pursuant to such Licenses and Permits as of Closing such that the Water System and Authority Wastewater Facilities may continue to operate after the Effective Date as they did before the Effective Date in an uninterrupted fashion. The Transition Operating Agreement shall continue in effect until such time as the Authority obtains all necessary permits and licenses. For the purpose of clarity, and without limiting the foregoing, unless and until the Authority obtains an MS4 permit, the Authority shall not be responsible, and the City shall remain responsible (at the City's own cost), for any services or other activities that require an MS4 permit to be undertaken.

2.8 Release of Underpayment Claims. The Authority acknowledges that the Suburban Communities currently are not complying with the terms of the Suburban Agreements and are not paying the service rates established by the City pursuant to such agreements (and any other agreements) requiring the City to establish service rates, and that the Suburban Communities may continue such non-performance following the Effective Date and the Closing Date. The Authority hereby waives and fully, finally and irrevocably releases, acquits and forever discharges the City from any and all Damages and Actions of every kind and nature whatsoever, past, present, or future, at law or in equity, whether known or unknown, contingent or otherwise by reason of any matter, cause or thing existing as of the Closing Date or arising out of events occurring or conditions existing on or prior to the Closing Date related to or arising from the failure of the Suburban Communities to fulfill their obligations pursuant to the Suburban Agreements (the "Underpayment Claims"). Upon request by the Authority, the City agrees to assist the Authority with collection of the underpayments of the service rates established by the City of the Suburban Communities' obligations pursuant to the Suburban Agreements, and of obtaining payment related to the Underpayment Claims, which claims the City has assigned to the Authority.

2.9 Assumed and Excluded Liabilities. On the Closing Date, the Authority shall assume the obligations and liabilities of the City related to the Water System and Combined Sewer System; provided, that such liabilities (i) were incurred in the ordinary course of operating the Water System and Combined Sewer System; (ii) were not the result of the City's (or its agents') gross negligence, misappropriation of funds or failure to comply with commercially reasonable practices for managers of facilities and systems similar to the Water System and Combined Sewer System; and (iii) may be legally charged to rate payers or other customers of the Water System and Combined Sewer System (collectively, the "Assumed Liabilities"). Other than the Assumed Liabilities, the Authority does not assume and shall not be liable for any obligations or liabilities of the City (collectively, the "Excluded Liabilities"), including those listed as "Excluded Liabilities" under the Transfer Agreement.

### ARTICLE 3 — REPRESENTATIONS AND WARRANTIES

3.1 The City hereby represents and warrants to the Authority, as of the date of this

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Agreement and, as applicable, on the Closing Date or the Effective Date, as follows:

- a) Authorization. The City has full power and authority to make, execute, deliver and perform the transaction reflected in this Agreement, including without limitation this Agreement and all documents required to consummate the transaction (the "Transaction Documents").
- b) Execution. This Agreement has been, and on the Effective Date and/or Closing Date the other Transaction Documents will be, duly and validly executed and delivered by the City and have been or shall be duly authorized by all necessary or advisable governmental and other action all as required by applicable Laws including all authorizations and approvals by the City Council, the Mayor and the Controller and constitutes (or upon such execution and delivery will constitute) legal, valid and binding obligations of the City enforceable against the City in accordance with all of the terms and provisions in this Agreement.
- c) No Conflicts. Assuming that the City obtains all necessary consents with respect to the assignment or transfer of the Combined Sewer Service Agreements, the Water System Agreements and Licenses and Permits, the execution, delivery and performance of this Agreement by the City and the consummation by the City of the transactions contemplated in this Agreement will not: (a) breach or result in a default (or an event which, with the giving of notice or the passage of time, or both, would constitute a default) or otherwise give any person a basis for accelerated or increased rights for termination or nonperformance under any of the Combined Sewer Service Agreements or Water System Agreements; (b) result in the violation of any provision of applicable Laws, or of any Licenses or Permits, or (c) result in the creation or imposition of any Liens upon any of the Combined Sewer System or the Water System.

3.2 The Authority hereby represents and warrants to the City, as of the date of this Agreement and on the Effective Date and/or the Closing Date, as follows:

- a) Authorization. The Authority has full power and authority to make, execute, deliver and perform the Transaction Documents.
- b) Execution. This Agreement has been, and on the Effective Date and/or the Closing Date the other Transaction Documents will be, duly and validly executed and delivered by the Authority and have been or shall be duly authorized by all necessary or advisable governmental and other action all as required by applicable Laws including all authorizations and approvals by the Authority which constitutes (or upon such execution and delivery will constitute) legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with all of the terms and provisions in this Agreement.
- c) No Conflicts. Assuming that the Authority obtains all necessary consents and approvals that may be appropriate or required, the execution, delivery and performance of this Agreement by the Authority and the consummation by the Authority of the transactions contemplated in this Agreement will not result in the violation of any provision of applicable Laws.

#### ARTICLE 4 — CERTAIN RESPONSIBILITIES

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4.1 Employee Matters.

a) Schedule 4.1(a)(i)-(iii), attached hereto and incorporated herein, sets forth a full list of Transferred Employees (as defined below), including:

(i) all employees of the Harrisburg Water and Sewer Bureau (the "Water and Sewer Bureau Employees") set forth on Schedule 4.1(a)(i);

(ii) certain employees of the Harrisburg Bureau of Operations and Revenues set forth on Schedule 4.1(a)(ii) (the "Operations and Revenue Employees" and together with the Water and Sewer Bureau Employees, the "Water and Sewer Employees"); and

(iii) all individuals that retired from employment with the Harrisburg Water and Sewer Bureau (or its predecessor) or the Harrisburg Bureau of Operations and Revenue (or its predecessor) prior to the Closing Date set forth on Schedule 4.1(a)(iii) (collectively, the "Water and Sewer Retirees").

The Water and Sewer Employees identified on Schedule 4.1(a)(i) are represented by the bargaining unit recognized in the collective bargaining agreement between the City and the AFSCME District Council 90, Local 521 (the "Labor Agreement").

b) Prior to or at the Effective Date, the Authority shall offer employment to all of the Water and Sewer Employees (all Water and Sewer Employees who accept the Authority's offer of employment and commence employment with the Authority pursuant to the terms agreed upon by the Authority and AFSCME, the "Transferred Employees"). Moreover, the Authority shall assume the Labor Agreement as modified pursuant to the negotiations between the Authority and AFSCME.

c) Effective as of the Effective Date, the Authority shall assume the debts, duties, liabilities and obligations related to the employment by the City of the Transferred Employees prior to the Effective Date;

d) Pension Fund. The Authority shall create a pension plan under the Pennsylvania Municipal Retirement System, which shall be available to Water and Sewer Employees (including Transferred Employees) who transfer to the Authority pursuant to Section 4.1(b) and which shall be at least equivalent to the pension plan in existence at the time of transition for Water and Sewer Employees (the "Authority Pension Plan"). The City shall transfer from the Municipal Pension Plan of the City of Harrisburg to the Authority Pension Plan such amount as determined by the Pennsylvania Municipal Retirement System pursuant to its spin-off policies. As of the Effective Date, the Authority shall have the sole obligation to provide pension benefits for all Transferred Employees who transfer to the Authority pursuant to Section 4.1(b) and transfer service credits under such spin-off policies and shall indemnify, defend and hold the City harmless from any Actions or Damages related to claims for such benefits.

e) Reimbursement of Post-Retirement Health Care Obligations. The Authority will assume and become liable for all costs for Post-Retirement Health Care Obligations for Water and Sewer Retirees whose benefits are currently paid out of the revenues generated pursuant to the Combined Sewer System and the Water System or by funds allocated from the Water and Sewer Bureau of the City of Harrisburg. Costs

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incurred by the City for Post-Retirement Health Care Obligations shall be invoiced to the Authority on a monthly basis. The Authority shall pay such invoices within thirty (30) days of receipt of such invoices and appropriate backup and/or explanation of the invoices as the Authority reasonably requests.

f) Health Insurance Coverage. The Authority shall offer to the Transferred Employees, and be solely responsible for providing to them, all benefits, including, but not limited to, health, vision, dental and prescription coverage (collectively "Benefits"), that the Transferred Employees choose to enroll in, or are otherwise automatically enrolled in by the Authority, effective the earlier of December 1, 2013 or the date upon which the Transferred Employees are no longer covered under any of the City's Benefits.

4.2 Reconciliation of Funds and Accounts Following 2013 Audited Financial Statements/Suburban Claims. The City and the Authority hereby acknowledge and agree that they will reasonably reconcile Water System and Combined Sewer System financial assets, including Accounts Receivables and Accounts Payable, that were not paid or could not be paid on or before the Effective Date, promptly following completion of their respective 2013 audited financial statements. If the parties are unable to agree upon the reconciliation within sixty (60) days after both financial statements are complete, either party may submit the dispute to binding arbitration pursuant to Section 5.9 of this Agreement by written notice to the other party. The City shall cooperate with the Authority and provide such information as the Authority may reasonably request in connection with the Authority prosecuting and otherwise attempting to collect amounts in respect of the Suburban Claims.

4.3 Annual Requirement to Maintain and Certify Insurance Coverage. For a period of two (2) years after the Closing, each of the City and the Authority shall be named as an additional insured on each other's insurance policies, as their interests may appear, related to the Water System and Combined Sewer System. The insurance required to be maintained shall be as described in and subject to the terms of Section 3.5 of the Transfer Agreement. Any disputes over levels of coverage, scope of coverage or other matters related to such insurance shall be resolved in good faith by mutual agreement based on the advice of each party's insurance broker. Each party will annually certify to the other party that it is maintaining such insurance.

4.4 Right of Offset. Subject to the approval of the other Party, a Party to this Agreement may offset any amounts owed by it under this Agreement against any amount owed to it by the other Party under this Agreement.

## ARTICLE 5 — MISCELLANEOUS

5.1 Notices. Any notice required or desired to be given to a person under the provisions in this Agreement shall be in writing and either personally delivered or delivered by sending the notice:

a) by certified mail, return receipt requested, postage prepaid, or a reliable and reputable overnight courier service, charges prepaid, to the address set forth below. Notice pursuant to this paragraph shall be conclusively deemed to have been given to the person entitled thereto, upon the earlier of actual receipt or the second business day after deposit in the United

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States mail or the next business day after timely deposit with an overnight courier service for delivery to that person; or

b) by personal delivery or facsimile with proof of transmission to the person's facsimile number (followed up by mailing a copy). Notice pursuant to this paragraph shall be deemed to have been given to the person entitled thereto on the date personally delivered or sent.

Whenever any notice or other communication is required to be given pursuant to the provisions of this Agreement, a waiver thereof, in writing, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed to be delivery of notice for the purposes of this Agreement. The initial notice address for the parties are those referenced in the preamble of this Agreement.

5.2 Effect of Waiver or Consent. No course of dealing, custom or conduct nor any delay or failure on the part of the City or the Authority to exercise any right, power or remedy shall be or be deemed a waiver or release of such right, power or remedy or otherwise prejudice or impair the rights, powers, benefits and/or remedies of the City or the Authority. No waiver or release by the City or the Authority shall be valid or binding unless given in a writing signed by the City or the Authority to be charged with the waiver or release. A waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of any of its/his duties or obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Party or any other Party of the same or any other duties or obligations of that Party or any other Party with respect to this Agreement. Failure on the part of a Party to declare any Party in default or breach with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver or release by that Party of his or its rights with respect to that default or breach until the period of the applicable statute of limitations has expired.

5.3 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. If executed in multiple counterparts, this Agreement shall become binding when any counterpart or counterparts, individually or taken together, bear the signatures of all of the parties. This Agreement, to the extent signed and delivered by means of facsimile machine or other electronic transmission (including .pdf), shall be treated in all manner and respects and for all purposes as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. Neither party shall raise the use of facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or other electronic transmission as a defense to the formation or enforceability of the Agreement and each party forever waives any such defense.

5.4 Amendments and Binding Effect. All amendments to this Agreement must be in writing, signed by the City and the Authority and shall take effect immediately. Oral agreements to amend or change this Agreement, or any part thereof, shall not be valid or binding and the City and the Authority, for themselves and their successors, fully and forever waive and release any and all rights to make, assert or claim that this Agreement has been amended by an oral agreement. This Agreement and all provisions herein shall be binding upon and inure to the benefit of the City and the Authority and their respective successors; provided that neither party

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may assign or transfer any of its rights or interests under this Agreement without first obtaining the prior written consent of the other party which consent will not be unreasonably withheld, delayed or conditioned.

5.5 Governing Law. This Agreement and the rights and duties of the City and the Authority shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

5.6 Severability. If any provision in this Agreement or the application thereof to any party or circumstance is held invalid or unenforceable to any extent as to any party or circumstance under any present or future Laws, such findings shall not render that provision invalid or unenforceable as to any other parties or circumstances.

5.7 Interpretation and Construction. In no event shall any construction, interpretation, enforcement, presumption or inference, in favor of or against the City, the Authority or any person be made as a consequence of the identity of the draftsman of this Agreement. The City and the Authority covenant and agree that this Agreement shall be construed and interpreted in a neutral manner and in interpreting this Agreement, there shall be no presumption or inference, by operation of law or otherwise, that any provision or part of this Agreement shall be more strictly construed against any party for any reason whatsoever. In interpreting this Agreement, the use of any gender shall include all genders; the singular shall include the plural and the plural the singular and words used in the past or present tense shall include the future whenever necessary or advisable to produce the intended meaning or effect unless the application of the foregoing would result in a construction inconsistent with the manifest intent or objectives of the Agreement. All references to annexes, schedules or exhibits are to annexes, schedules or exhibits attached hereto, each of which is incorporated herein and made a part hereof for all purposes. The paragraph headings in this Agreement are for convenience only they do not form a part of this Agreement and shall not affect or be used in its construction or interpretation. The provisions in this Agreement, in all circumstances, shall always control and supersede any course of conduct, dealing, performance, custom or usage inconsistent or in conflict with any of the provisions in this Agreement.

5.8 Further Actions. The City and the Authority agree that each party shall cooperate fully and act in good faith with the other party and shall comply fully with all provisions and applicable Laws relating to the preparation and maintenance of complete and accurate Records. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the intent or any of the purposes or objectives of this Agreement, the City and the Authority shall take or cause to be taken all such necessary, advisable or convenient action and execute, acknowledge, deliver and file all necessary, desirable or convenient documentation.

5.9 Dispute Resolution.

a) **MANDATORY MEDIATION:**

- (i) Unless the Parties agree to submit their claim to binding arbitration in accordance with Section 5.9 b)(i), it is the intent of the Parties to resolve any disputes between them whenever possible by mutual and voluntary settlement. In

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support of this, the Parties acknowledge that if a dispute arises out of or relates to this Agreement, including any dispute as to the validity, scope or enforceability of this clause or any clause of this Agreement, or as to any breach of the Agreement, and cannot be settled through negotiation, they hereby agree to submit the dispute to mediation before resorting to litigation or some other dispute resolution procedure.

- (ii) The mediator shall be selected by mutual agreement of the Parties. In the event the Parties are unable to agree to a mediator within fifteen (15) days of a Party declaring an impasse in informal negotiations, they shall use the mediation services of ADR Options located at Two Commerce Square, Suite 1100, 2001 Market Street, Philadelphia, PA 19103-7044.
- (iii) The Parties recognize and acknowledge that mediation is a process to assist them to resolve their disputes by making their own free and informed choices, and that the neutral mediator will have no authority to impose a settlement upon any Party.
- (iv) If the Parties do not reach a mutually agreeable settlement within 60 days of the initiation of the mediation, or any mutually agreed upon extensions thereof, they may pursue any other dispute resolution method available to them, as stated in this Agreement.
- (v) The mediation will take place at a reasonably convenient location to be agreed upon by the Parties or determined by the mediator. Recognizing the Parties are publicly funded bodies whose acts impact local tax and utility rates, and in order to responsibly ensure a cost efficient and equitable process for resolution, the Parties pledge cooperation in using available cost-saving measures to confer and communicate on these matters, including telephone, video, or online conferencing whenever practicable and cost effective.

b) **BINDING ARBITRATION OPTION.**

- (i) Mutual Agreement. The Parties may agree, at any time, to have a dispute resolved by binding arbitration without waiving the right to proceed under any other dispute resolution option provided in this Agreement in other

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pending or future disputes. Both Parties must agree, in writing, to submit a specific claim to binding arbitration. If a Party requests binding arbitration, failure by the other party to consent in ten (10) days shall be deemed non-consent.

- (ii) No Withdrawal. Once agreed to by all Parties in writing, no Party may withdraw their consent to binding arbitration unless the Parties amicably resolve the dispute prior to an award.
- (iii) Finality. Whenever the Parties mutually opt for binding arbitration, the matter shall be solely and finally settled in that manner without right of appeal except for those grounds stated under the Pennsylvania Uniform Arbitration Act.
- (iv) Proceedings. The binding arbitration proceedings shall be held in Harrisburg, Pennsylvania before an arbitration panel of three (3) arbitrators. Each Party shall designate one arbitrator (the "Designated Arbitrators") within thirty (30) days of the Parties' agreement to submit a matter to binding arbitration and the Designated Arbitrators shall, within fifteen (15) days of the appointment of the last Designated Arbitrator, mutually agree upon a third arbitrator. In the event the Designated Arbitrators cannot agree upon a third arbitrator, arbitration shall be before one arbitrator appointed by ADR Options located at Two Commerce Square, Suite 1100, 2001 Market Street, Philadelphia, PA 19103-7044. In the event ADR Options is not available, arbitration shall be before an arbitration panel of three arbitrators comprised of the two Designated Arbitrators and a third arbitrator appointed by the Dauphin County Court of Common Pleas upon application to said court. Formal service of the application shall be waived and the Notice shall be delivered to each arbitrator and counsel for all Parties by electronic means. The cost of any filing fee, or any other cost, for seeking judicial appointment of the third arbitrator shall be equally born by the Parties, with the non-moving Party required to promptly reimburse the petitioning Party for its proportional share of that expense.
- (v) Controlling Procedures. Unless otherwise provided for by agreement of the Parties, or law or regulation governing the Parties, any arbitration proceedings shall be conducted in

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accordance with the Pennsylvania Uniform Arbitration Act,  
42 Pa. C.S.A. §7301 et seq.

c) **JUDICIAL PROCESS.**

(i) The Parties shall have the right to seek judicial relief in any dispute, other than where they have opted for binding arbitration, within 60 days after the: (a) cessation of any mediation proceedings, as declared, in writing, by the mediator or (b) by the expiration of sixty (60) days from the start of the Mediation, as stated in Section 5.9 a)(iv), above. The proceeding shall be *de novo* and otherwise subject to all applicable rules of court, except as set forth in subparagraph 5.9(c)(ii):

(ii) **WAIVER OF JURY TRIAL AND ACKNOWLEDGMENT OF JURISDICTION.** NO PARTY INVOLVED IN ANY LEGAL OR EQUITABLE PROCEEDINGS SHALL ELECT OR DEMAND A TRIAL BY JURY IN CONNECTION WITH ANY CLAIM, CONTROVERSY, ACTION OR DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR IN THE PERFORMANCE OR ENFORCEMENT THEREOF. THE CITY AND THE AUTHORITY, FOR THEMSELVES AND THEIR SUCCESSORS:

(A) SPECIFICALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO DEMAND AND HAVE A TRIAL BY JURY;

(B) ACKNOWLEDGE, CONSENT AND AGREE THAT THE COURT OF COMMON PLEAS OF DAUPHIN COUNTY, PENNSYLVANIA, SHALL HAVE EXCLUSIVE JURISDICTION AND VENUE TO HEAR AND DETERMINE ANY AND ALL CLAIMS, CONTROVERSIES, ACTIONS OR DISPUTES RELATING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT; AND SO

(C) EXPRESSLY ACKNOWLEDGE, SUBMIT AND CONSENT IN ADVANCE TO SUCH EXCLUSIVE JURISDICTION AND THE EXERCISE OF PERSONAL JURISDICTION OVER THEM BY THE SAID COURT.

d) **APPEAL RIGHTS.** Nothing within this Agreement shall be deemed a waiver of any right of appeal that would be available to any Party to a civil dispute before the courts of the Commonwealth of Pennsylvania, excepting only those instances, if any, when the Parties mutually opt to submit a dispute to binding arbitration in which case the

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only right to appeal shall be the grounds stated under the Pennsylvania Uniform Arbitration Act.

e) **ADMINISTRATIVE FEES, COSTS.** For all dispute resolution methods outlined above, each Party shall be responsible for its costs and those of its advisors and Designated Arbitrators. The Parties each shall pay one half of all costs and fees charged by a neutral arbitrator or mediator.

5.10 **Entire Agreement.** This instrument, annexes hereto, any documents incorporated herein and any duly executed amendments contain the entire agreement and understandings by and between the City and the Authority with respect to the subject matter hereof and supersedes all prior and contemporaneous inducements, agreements and/or understandings, express or implied, oral or written, with respect thereto.

IN WITNESS WHEREOF, the City and the Authority, by their duly authorized representatives, have signed and sealed this Agreement effective as of the date first set forth above.

**THE HARRISBURG AUTHORITY:**

**THE CITY OF HARRISBURG:**

By: 

Name: William J. Cluck  
Title: Chairman

Date: 11-5-13

By: 

Name: Linda D. Thompson  
Title: Mayor

Date: 11-4-13

By: 

Name: Westburn Majors  
Title: Vice-Chairman

Date: 11-5-13

By: 

Name: J. Marc Kurowski  
Title: Secretary/Treasurer

Date: 11/5/13

By:  11-4-13

Name: Dan Miller  
Title: Controller

Date: \_\_\_\_\_

By: 

Name: Wanda R.D. Williams  
Title: City Council President

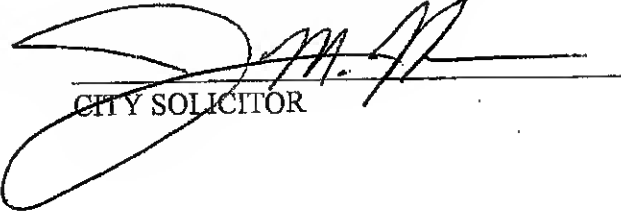
Date: 11-1-13

By: 

Name: Shannon G. Williams  
Title: Assistant Secretary/Treasurer

Date: 11/5/13

**APPROVED FOR FORM & LEGALITY:**

  
CITY SOLICITOR

{00668971;v1}

### Schedule 1.1

#### **Water and Combined Sewer Service Agreements**

- 1) **Assignment and Agreement of Lease between Harrisburg Sewerage Authority and City of Harrisburg, dated April 1, 1958.**
- 2) **Agreement between City of Harrisburg, the Borough of Penbrook, Borough of Paxtang, Township of Swatara, Swatara Township Authority, Lower Paxton Township Authority and Susquehanna Township Authority, dated January 29, 1958.**
- 3) **Supplemental Agreement to Original Agreement #1 between City of Harrisburg, the Borough of Penbrook, Borough of Paxtang, Township of Swatara, Swatara Township Authority, Lower Paxton Township Authority and Susquehanna Township Authority, dated December 10, 1963.**
- 4) **Agreement between City of Harrisburg and the Borough of Steelton, dated January 29, 1958.**
- 5) **Supplemental Agreement to Original Agreement #2 dated 1/29/58 between the City of Harrisburg, Harrisburg Sewerage Authority and the Borough of Steelton, dated November 10, 1959**
- 6) **Second Supplemental Agreement, dated September 1, 1976 by and among the City of Harrisburg and the Harrisburg Sewerage Authority, parties of the first part, and the Borough of Penbrook, the Borough of Paxtang, the Township of Swatara, the Township of Susquehanna, the Township of Lower Paxton, Swatara Township Authority, Lower Paxton Township Authority and Susquehanna Township Authority, parties of the second part, and the Borough of Steelton and Steelton Borough Authority, parties of the third part.**
- 7) **Agreement of Lease, dated September 15, 1976, from Harrisburg Sewerage Authority to the City of Harrisburg.**
- 8) **First Supplemental Agreement of Lease, dated June 15, 1978, from Harrisburg Sewerage Authority to the City of Harrisburg.**
- 9) **Second Supplemental Agreement of Lease, dated October 1, 1984, from Harrisburg Sewerage Authority to the City of Harrisburg.**
- 10) **Third Supplemental Agreement of Lease, dated January 15, 1988, from Harrisburg Water and Sewer Authority to the City of Harrisburg.**
- 11) **Fourth Supplemental Agreement of Lease, dated December 23, 2009, from the Harrisburg Authority to the City of Harrisburg.**
- 12) **Collection System Lease between Harrisburg Water and Sewer Authority and City of Harrisburg, dated January 15, 1988.**
- 13) **First Amendment of Collection System Lease between Harrisburg Water and Sewer Authority and City of Harrisburg, dated March 25, 1988.**

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- 14) **Second Amendment to Collection System Lease between Harrisburg Water and Sewer Authority and City of Harrisburg, dated December 23, 1988.**
- 15) **First Supplemental of Collection System Lease between Harrisburg Water and Sewer Authority and City of Harrisburg, dated March 1, 1998.**
- 16) **Second Supplemental of Collection System Lease between Harrisburg Water and Sewer Authority and City of Harrisburg, dated May 1, 1998.**
- 17) **Contract Number 4905A, Water Treatment Chemicals, between the City of Harrisburg and Univar USA, Inc. dated January 7, 2011.**
- 18) **Contract Number 4909C, Disposal of Municipal Waste, between the City of Harrisburg and Interstate Waste Services of Pennsylvania, LLC, dated April 4, 2011**
- 19) **Contract Number 4937A, Water Treatment Chemicals, between the City of Harrisburg and General Chemical Performance Product, LLC, dated December 27, 2012.**
- 20) **Contract Number 4905B, Water Treatment Chemicals, between the City of Harrisburg and JCI Jones Chemicals, Inc., dated January 7, 2011.**
- 21) **Contract Number 4917, Purchase of Polymers, between the City of Harrisburg and Pollu-Tech, Inc., dated July 11, 2011.**
- 22) **Contract Number 4937B, Water Treatment Chemicals (Caustic Soda), between the City of Harrisburg and Univar USA, Inc., dated December 27, 2012.**
- 23) **Contract Number 4905F, Water Treatment Chemicals, between the City of Harrisburg and Thatcher Company of New York, dated January 7, 2011.**
- 24) **Contract Number 4920A, Water Treatment Chemicals, between the City of Harrisburg and Univar USA, Inc., dated January 30, 2012.**
- 25) **Contract Number 4909A, Hauling of Municipal Waste, between the City of Harrisburg and KBS, Inc., dated April 4, 2011.**
- 26) **Contract Number 4920C, Water Treatment Chemicals, between the City of Harrisburg and Greer Lime Company, dated January 30, 2012.**
- 27) **Project Number 2280-12, Purchase of Aqueous Solution of Ferrous Sulfate, between the City of Harrisburg and Siemens industry, Inc., awarded December 3, 2012.**
- 28) **Contract Number 4909B, Hauling & Disposal of Municipal Waste, between the City of Harrisburg and Synagro Central, LLC, dated April 4, 2011.**
- 29) **Contract Number 4936, Removal, Transportation and Disposal of Grease from Storage Tanks at Advanced Wastewater Treatment Plant, between the City of Harrisburg and McGovern Environmental, dated December 27, 2012.**
- 30) **Sewer Revenue Indenture w/The Philadelphia National Bank, dated April 1, 1958.**

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- 31) Sewer Revenue Trust Indenture w/Dauphin Deposit Trust Company, dated September 15, 1976.
- 32) Sewer Revenue Indenture w/Dauphin Deposit Bank and Trust Company dated June 15, 1978.
- 33) Special Revenue Indenture w/Dauphin Deposit Bank and Trust Company dated June 15, 1978.
- 34) Sewer Revenue Indenture w/Dauphin Deposit Bank and Trust Company dated October 1, 1984.
- 35) First Supplemental Sewer Revenue Indenture – Sewer Revenue Bonds, Series A of 1988 w/Dauphin Deposit Bank and Trust Company dated January 15, 1988.
- 36) Second Supplemental Sewer Revenue Indenture – Sewer Revenue Refunding Bonds, Series of 1989 w/Dauphin Deposit Bank and Trust Company dated February 15, 1989.
- 37) Third Supplemental Sewer Revenue Indenture – Sewer Revenue Refunding Bonds, Second Series of 1989 w/Dauphin Deposit Bank and Trust Company dated June 21, 1989.
- 38) Fourth Supplemental Sewer Revenue Indenture - Sewer Revenue Refunding Bonds, First Series of 1992 w/Dauphin Deposit Bank and Trust Company dated March 3, 1992.
- 39) Sewer Revenue Indenture w/The Commonwealth National Bank (a/k/a Mellon Bank, N.A.) - Securing Sewer Revenue Bonds, Series B of 1988 dated January 15, 1988.
- 40) First Supplemental Sewer Revenue Indenture – Securing \$2,762,949.35 Present Value (\$8,625,000 Maturity Value) Sewer Revenue Refunding Bonds, Third Series of 1989 w/The Commonwealth National Bank and Bank of New York – Mellon Bank N.A. dated June 21, 1989.
- 41) Second Supplemental Sewer Revenue Indenture – Securing \$8,245,000 Maturity Value Sewer Revenue Refunding Bonds, Second Series of 1992 w/Mellon Bank, N.A. dated March 3, 1992.
- 42) Subsidy Agreement between The Harrisburg Authority and the City of Harrisburg, dated February 1, 1990.
- 43) Management Agreement between The Harrisburg Authority and the City of Harrisburg dated March 1, 1990.
- 44) Amended and Restated Management Agreement between The Harrisburg Authority and the City of Harrisburg dated January 1, 1991.
- 45) Second Amended and Restated Management Agreement between The Harrisburg Authority and the City of Harrisburg, dated February 1, 1992.
- 46) First Supplement to Second Amended and Restated Management Agreement between The Harrisburg Authority and The City of Harrisburg, dated April 12, 2002.

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**47) Water Trust Indenture dated January 1, 1991 and 1<sup>st</sup> through 16<sup>th</sup> Supplemental Trust Indentures, dated February 1, 1992 – August 15, 2008.**

The parties agree to supplement this list as necessary to include other agreements subsequently identified that relate exclusively to the sewer and/or water operations, and the costs for which are borne exclusively by the sewer and/or water funds.

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**Schedule 4.1(a)(i)**  
**Water and Sewer Employees**

FULTON	ELLIS W
DEILY	MICHAEL A
AMBUSH	TERRI M
BURNETT	NANETTE S
EVANS	TAMMY M
BAUM	TONIA
PAGE	RUTH A.
	RALY THMUZ -
BEY	ATUM
GALBRAITH JR.	DANIEL LEROY
LI	JASON YIDI
MICHAELS	SEAN BRIAN
BOONE	SAUNDRA LEE
ECHEVARRIA	SAMUEL
BOONE	ROBIN L
LEE	KWAN WOO
BESHARA	FREDRICK D
BESHARA	DAVID A
GARDNER JR.	MAYNARD E
HEINEMAN	ROBERT C
ROHRER JR.	JAMES RONALD
WELDON	SUSAN P
EISENBERGER II	DAVID EUGENE
WELSH	CHRISTOPHER R.
BAKER SR.	JOSEPH P
WERNER	JOHN LEROY
WILSON	ROBERT LEE
LEEPER	MICHAEL J
BROOKMYER	BRYON NEIL
DECKER	CONRAD B
MORROW JR.	RONALD A.
RUSSELL	BRIAN J
SANTIAGO	GERALDO A
ZUROWSKI	JO ANN M
BURNS	ORAN MIXELL
SCHAFER	RANDY LYNN
GRAY	JOANN MARIE
EGENRIEDER	EDWARD C

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CROSSON	RICHARD ALONZO
GREEN	ISAAC E.
GROVE	RONALD ARTHUR
MARTIN SR.	KEVIN EUGENE
BRIGHTBILL	BARRY L
FOLEY	JAMES MICHAEL
FREYSINGER	KENNETH L
HOKE	RAYMOND E
KELLY	LEONARD R
KOLAKOWSKI	DAVID JOHN
MOUNTAIN	BRIAN LOY
SNYDER	CHARLES S
WAHOSKY	JEFFREY S
WILFONG	MARK N
MITCHELL	MYRON L
ANDERSON	ALFRED J
GARCIA- NAVARRO	JORGE
FOX	MICHAEL W
RITTER	RANDY FRANCES
SWEGER	DONALD E
JENKINS	KIM J
STEIN	MITCHELL G
FERGUSON	KEITH W.
MCPHERSON	ALAN C

{00668971;v1}

**Schedule 4.1(a)(ii)**  
**Operations and Revenue Employees**

- 1) Tonia Baum
- 2) Terri Ambush
- 3) Tammy Evans
- 4) Nanette Burnett
- 5) Ellis Fulton

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**Schedule 4.1(a)(iii)**  
**Water and Sewer Retirees**

HOYER SR	WILLIAM
HOLLMAN	JEREMIAH
MUMMA	KENNETH
HOWARD	ROBERT
SHOMPER	DENNIS
WILLIAMS	JOHN
YAREMCHAK	GREGORY
LOGAN	HARRISON
ZABLOCKI	RONALD
NAPPER	LILLIAN
CHAMBERS	ALBERT
PATRICK	CHARLES
WILLIAMS	WALTER
BARKOS	MICHAEL
FOLTZ	JAMES
INGIOSI	JOHN
FLAGG	ROBERT
PALMER	JACK
BOWERS	RODNEY
SHIPPER	JAMES
BAILEY	STANLEY
LILEY	HAROLD
FOX	HARVEY
FETTERHOFF	JOANNE
MORGAN	BARBARA
WISE	EARLINE
ASMAN	THOMAS
YINGST	BRADLEY

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Exhibit C

AMENDED

RESOLUTION NO. 41 OF 2013

Moved by: Walter B. Williams

~~A Resolution approving the negotiated terms regarding the transfer of the sewer collection system, together with its associated assets and liabilities, and the transition of the water system and sewer system operations to the Harrisburg Authority.~~

WHEREAS, the City of Harrisburg presently owns and operates the sewer collection system, including a combined sanitary and stormwater collection system and a separate sanitary sewer system; and

WHEREAS, the Harrisburg Authority (the "Authority") owns a wastewater conveyance system and the Advanced Wastewater Treatment Facility ("AWTF", together with the wastewater conveyance system and the sewer collection system, collectively, "Sewer System"), and leases those facilities to the City according to an Agreement of Lease (Exhibit "C" to Bill 21 of 2013); and

WHEREAS, the Authority owns a water treatment facility and a water distribution system (collectively, the "Water System"), which is operated by the City according to the Second Amended and Restated Management Agreement (Exhibit "D" to Bill 21 of 2013); and

WHEREAS, the Sewer System is in need of repairs and upgrades which can be most efficiently undertaken if the systems are combined into one commonly owned and operated system; and

WHEREAS, the transfer of the sewer collection system and the sewer and water operations from the City to the Authority will enable the Authority to obtain the financing required to complete the upgrades and repairs necessary to keep the Sewer System in compliance with regulatory standards; and



**WHEREAS**, the City and the Authority acknowledge that the Water System and the Sewer System can more effectively be owned, operated, managed, and funded if the systems are operated on a combined basis by the Authority; and

**WHEREAS**, in conjunction with accepting the assets from the City, the Authority will also assume all liabilities connected to the Sewer System; and

**WHEREAS**, the City currently provides billing and collection services for the Water System and the Sewer System, as well as for the City's sanitation enterprise fund (collectively, the "Utilities"); and

**WHEREAS**, the Authority must control the billing and collection of the utility revenue in order to efficiently obtain access to capital to operate and fund the maintenance of and improvements to the Water System and Sewer System; and

**WHEREAS**, the authority is qualified to own and operate the Sewer System and the Water System, and the City desires to transfer to the Authority and the Authority desires to acquire and operate all of the Sewer System and the Water System; and

**WHEREAS**, City Council previously introduced an Ordinance (Bill 21 of 2013) approving the transfer of the sewer collection system to the Authority according to certain negotiated terms; and

**WHEREAS**, the terms set forth in the term sheet attached to Bill 21 of 2013 have been incorporated into three comprehensive agreements that establish the rights and obligations of the City and the Authority relative to the transfer of the sewer collection system and the operations of the Sewer System and Water System: (1) the Transfer Agreement Harrisburg Combined Sewer System ("Transfer Agreement"); (2) Water, Sewer and Stormwater Systems Transition Agreement City of Harrisburg ("Transition Agreement"); and (3) Shared Services Agreement; and

WHEREAS, the City and the Authority have negotiated the terms of the transfer of the sewer collection system, such terms being set forth in the Transfer Agreement, a true and correct copy of which is attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, terms generally relating to the transition of employees from the City to the Authority are set forth in the Transition Agreement, a copy of which is attached hereto and incorporated herein as Exhibit "B"; and

WHEREAS, the terms relating to the sharing of services between the City and the Authority, and reimbursement between the parties for such services, are set forth in the Shared Services Agreement, a copy of which is attached hereto and incorporated herein as Exhibit "C"; and

WHEREAS, in the judgment of the City Council, entering into the ~~Transfer Agreement, Transition Agreement, and Shared Services Agreement~~ is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HARRISBURG, PENNSYLVANIA as follows:

~~1. The Transfer Agreement is hereby approved and authorized by the City substantially in the form attached hereto as Exhibit "A," subject to such changes, insertions, or omissions as may be approved by the City signatories and the City Solicitor, and such execution shall be conclusive evidence of such approval.~~

1. The Transition Agreement is hereby approved and authorized by the City substantially in the form attached hereto as Exhibit "B," subject to such changes, insertions, or omissions as may be approved by the City signatories and the City Solicitor, and such execution shall be conclusive evidence of such approval.

~~2. The Shared Services Agreement is hereby approved and authorized by the City substantially in the form attached hereto as Exhibit "C," subject to such changes, insertions, or~~

~~emissions as may be approved by the City signatories and the City Solicitor, and such execution shall be conclusive evidence of such approval.~~

3. The City shall take and maintain all necessary or appropriate actions to implement the ~~Transfer Agreement, Transition Agreement, and Shared Services Agreement~~ to the extent applicable to the City.

4. The Mayor, City Controller, City Treasurer, City Solicitor and all other appropriate City officials are authorized, directed and instructed to take all steps necessary or appropriate to effectuate the purposes of this Resolution.

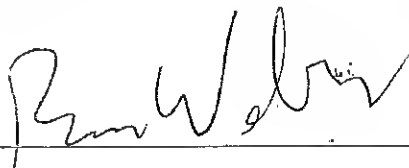
5. This Resolution shall become effective immediately upon its adoption.

6. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this City that such remainder shall be and shall remain in full force and effect.

7. All acts and doings of the officers of the City which are in conformity with the purposes and intents of this Resolution and in the furtherance of the execution, delivery and performances of the ~~Transfer Agreement, Transition Agreement, and Shared Services Agreement~~ shall be, and the same hereby are, in all respects approved and confirmed.

8. All resolutions and ordinances or parts thereof of the City's in conflict with the provisions herein contained are, to the extent of such conflicts, hereby superseded and repealed.

I second this Resolution



*Amendment:*

"The approval of this Resolution is conditioned upon the insertion of corrections recommended by the Office of Solicitor regarding Section 5.9 Arbitration provisions, the attachment of required schedules, and the conformity to the corrected version approved by the Harrisburg Authority; the solicitor is authorized to make those modifications on behalf of the City so that the contract may be executed."

I certify that this is  
 a true and correct copy.  
Kipster certified 1/13/16

Set the City Council October 30, 2013  
Wendal W. Williams  
 President of City Council  
Kipster  
 City Clerk

YEAS		NAYS
	KOPLINSKI	ABSE
	REID	ABJ
	SMITH	
	SUMMERFORD	
	WEBER	ABJ
	WILSON	
	WILLIAMS	
Yeas	4	
Nays	0	

RESOLUTION NO. 41 OF 2013

Moved by: Walter R. Williams

A Resolution approving the Transfer Agreement, which sets forth the negotiated terms for the transfer of the sewer collection system, together with its associated assets and liabilities to the Harrisburg Authority; and the Shared Services Agreement, which sets forth the negotiated terms for the shared services related to the administration, billing, collection, and maintenance of the utilities provided by the City and the Harrisburg Authority.

WHEREAS, the City of Harrisburg presently owns the sewer collection system, including a combined sanitary and stormwater collection system and a separate sanitary sewer system; and

WHEREAS, the Harrisburg Authority (the "Authority") owns a wastewater conveyance system and the Advanced Wastewater Treatment Facility ("AWTF", together with the wastewater conveyance system and the sewer collection system, collectively, "Sewer System"), and leases those facilities to the City according to an Agreement of Lease; and

WHEREAS, the Authority owns a water treatment facility and a water distribution system (collectively, the "Water System"), which is operated by the City according to the Second Amended and Restated Management Agreement; and

WHEREAS, the Sewer System is in need of repairs and upgrades which can be most efficiently undertaken if the systems are combined into one commonly owned and operated system; and

WHEREAS, City Council approved the transition of the operations of the Sewer System and the Water System by passage of Resolution 41 of 2013 at the Special Legislative Session of October 30, 2013; and

WHEREAS, the transfer of the sewer collection system from the City to the Authority will enable the Authority to obtain the financing required to complete the upgrades and repairs necessary to keep the Sewer System in compliance with regulatory standards; and

**WHEREAS**, in conjunction with accepting the assets from the City, the Authority will also assume all liabilities connected to the Sewer System, with some limited exceptions; and

**WHEREAS**, prior to the transition of employees, the City provided billing and collection services for the Water System and the Sewer System, as well as for the City's sanitation enterprise fund (collectively, the "Utilities"); and

**WHEREAS**, the Authority must control the billing and collection of the utility revenue in order to efficiently obtain access to capital to operate and fund the maintenance of and improvements to the Water System and Sewer System; and

**WHEREAS**, the authority is qualified to own the sewer collection system, and the City desires to transfer to the Authority and the Authority desires to acquire the sewer collection system; and

**WHEREAS**, City Council previously introduced an Ordinance (Bill 21 of 2013) approving the transfer of the sewer collection system to the Authority according to certain negotiated terms; and

**WHEREAS**, the terms set forth in the term sheet attached to Bill 21 of 2013 have been incorporated into three comprehensive agreements that establish the rights and obligations of the City and the Authority relative to the transfer of the sewer collection system and the operations of the Sewer System and Water System: (1) the Transfer Agreement Harrisburg Combined Sewer System ("Transfer Agreement"); (2) Water, Sewer and Stormwater Systems Transition Agreement City of Harrisburg ("Transition Agreement") approved by City Council on October 30, 2013; and (3) Shared Services Agreement; and

**WHEREAS**, the City and the Authority have negotiated the terms of the transfer of the sewer collection system, such terms being set forth in the Transfer Agreement, a true and correct copy of which is attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, the terms relating to the sharing of services between the City and the Authority, and reimbursement between the parties for such services, are set forth in the Shared Services Agreement, a copy of which is attached hereto and incorporated herein as Exhibit "B"; and

WHEREAS, in the judgment of the City Council, entering into the Transfer Agreement and Shared Services Agreement is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HARRISBURG, PENNSYLVANIA as follows:

1. The Transfer Agreement is hereby approved and authorized by the City substantially in the form attached hereto as Exhibit "A," subject to such changes, insertions, or omissions as may be approved by the City signatories and the City Solicitor, and such execution shall be conclusive evidence of such approval.
2. The Shared Services Agreement is hereby approved and authorized by the City substantially in the form attached hereto as Exhibit "B," subject to such changes, insertions, or omissions as may be approved by the City signatories and the City Solicitor, and such execution shall be conclusive evidence of such approval.
3. The City shall take and maintain all necessary or appropriate actions to implement the Transfer Agreement and Shared Services Agreement to the extent applicable to the City.
4. The Mayor, City Controller, City Treasurer, City Solicitor and all other appropriate City officials are authorized, directed and instructed to take all steps necessary or appropriate to effectuate the purposes of this Resolution.
5. This Resolution shall become effective immediately upon its adoption.
6. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision,

section, sentence, clause or part of this Resolution, it being the intent of this City that such remainder shall be and shall remain in full force and effect.

7. All acts and doings of the officers of the City which are in conformity with the purposes and intents of this Resolution and in the furtherance of the execution, delivery and performances of the Transfer Agreement and Shared Services Agreement shall be, and the same hereby are, in all respects approved and confirmed.

8. All resolutions and ordinances or parts thereof of the City's in conflict with the provisions herein contained are, to the extent of such conflicts, hereby superseded and repealed.

I second this Resolution

Bruce White

YEAS		NAYS
<input checked="" type="checkbox"/>	KOPLINSKI	
<input checked="" type="checkbox"/>	REID	
<input checked="" type="checkbox"/>	SMITH	
<input checked="" type="checkbox"/>	SUMMERFORD	
<input checked="" type="checkbox"/>	WEBER	
<input checked="" type="checkbox"/>	WILSON	
<input checked="" type="checkbox"/>	WILLIAMS	
Yeas	7	
Nays	0	

City Council

11-18-13

Wanda R. Williams  
President of City Council

K. Peters  
City Clerk



BILL NO. 21 OF 2013

Moved by: Ward R. D. Williams

An Ordinance approving the transfer of the sewer collection system from the City of Harrisburg to the Harrisburg Authority according to certain negotiated terms.

**WHEREAS**, the City of Harrisburg presently owns and operates the sewer collection system, including a combined sanitary and stormwater collection system and a separate sanitary sewer system (collectively, the "Sewer System"); and

**WHEREAS**, the Harrisburg Authority (the "Authority") owns a wastewater conveyance system and the Advanced Wastewater Treatment Facility ("AWTF") (collectively, "Authority Facilities"), and leases the Authority Facilities to the City; and

**WHEREAS**, the Sewer System and the Authority Facilities are in need of repairs and upgrades which can be most efficiently undertaken if the systems are combined into one commonly owned and operated system; and

**WHEREAS**, the transfer of the Sewer System from the City to the Authority will enable the Authority to obtain the financing required to complete the upgrades and repairs necessary to keep the Sewer System in compliance with regulatory standards; and

29           **WHEREAS**, in conjunction with accepting the assets from the City, the Authority  
30 will also assume all liabilities connected to the Sewer System; and

31  
32           **WHEREAS**, the Municipality Authorities Act allows for the transfer of facilities  
33 from a municipality to a municipal authority with the affirmative vote of two-thirds of the  
34 governing body, 53 Pa.C.S.A. § 5613; and

35  
36           **WHEREAS**, the City and the Authority have negotiated a term sheet for an  
37 Agreement in Principle ("Term Sheet"), a copy of which is attached hereto as Exhibit  
38 "A," and incorporated as if fully set forth herein, which sets forth terms for (1) the  
39 transfer of assets and liabilities related to the Sewer System from the City to the  
40 Authority; (2) the sharing of ongoing services from the City to the Authority and the  
41 payment by the Authority to the City for its allocable share of the costs of such services;  
42 (3) transfer of the City's operations of the Sewer System and the Water System to the  
43 Harrisburg Authority, including the costs and liabilities for salary and benefits of the  
44 employees who will be transferred to the Authority; and (4) the creation of a Green  
45 Infrastructure Fund ("GIF") to be funded by the Authority in the amount of \$3.5 Million  
46 over a period of 15 years, to be used for green economic development, stimulus and  
47 infrastructure projects; and

48  
49           **WHEREAS**, the City is currently a party to an Intergovernmental Cooperation  
50 Agreement ("Second Supplemental Agreement") with the City and the Harrisburg  
51 Authority being parties of the first part; with several suburban municipalities and

52 authorities, including the Borough of Penbrook, Borough of Paxtang, Township of  
53 Swatara, Township of Susquehanna, Township of Lower Paxton, Swatara Township  
54 Authority, Lower Paxton Township Authority, and Susquehanna Township Authority  
55 being parties of the second part; and with the Borough of Steelton and the Steelton  
56 Borough Authority being parties of the third part (parties of the second part and parties  
57 of the third part, collectively, "Suburban Municipalities"). A copy of the Second  
58 Supplemental Agreement is attached hereto as Exhibit "B"; and  
59

60         **WHEREAS**, pursuant to the Second Supplemental Agreement, the Suburban  
61 Municipalities have agreed to discharge sewage and waste through the Authority's  
62 conveyance system to the Authority's AWTF, and the City, as operator, has agreed to  
63 accept the sewage and waste; and  
64

65         **WHEREAS**, the Second Supplemental Agreement called for the City to set rates  
66 for the conveyance and treatment services it was providing to the Suburban  
67 Municipalities and for collection, conveyance and treatment services it was providing to  
68 the customers of the City of Harrisburg; and  
69

70         **WHEREAS**, the City will transfer its rights and obligations under the Second  
71 Supplemental Agreement to the Authority consistent with the overall transfer of the  
72 Sewer System and the sewer operations to the Authority contemporaneously with the  
73 transfer of the Sewer System; and  
74

75           **WHEREAS**, the City and the Authority are parties to a lease agreement and four  
76 supplemental lease agreements (together, "Agreement of Lease") for the Authority  
77 Facilities to the City of Harrisburg for the operation of the Authority Facilities. The  
78 Agreement of Lease (with all supplements attached) is attached hereto as Exhibit "C,"  
79 and

80  
81           **WHEREAS**, the City and the Authority will terminate or modify the Agreement of  
82 Lease consistent with the transfer of operations of the Authority Facilities to the  
83 Authority contemporaneously with the transfer of the Sewer System to the Authority;  
84 and

85  
86           **WHEREAS**, the City and the Authority are parties to a Second Amended and  
87 Restated Management Agreement ("Management Agreement") for the operation by the  
88 City of the water supply, transmission, treatment and distribution system ("Water  
89 System") for the Authority. A copy of the Management Agreement is attached hereto as  
90 Exhibit "D," and

91  
92           **WHEREAS**, the City and the Authority will terminate or modify the Management  
93 Agreement consistent with the transfer of operations of the Water System to the  
94 Authority contemporaneously with the transfer of the Sewer System to the Authority;  
95 and

96

97           **WHEREAS**, it is anticipated that current employees who perform sewer and  
98 water operations for the City will be able to continue performing their jobs as employees  
99 of the Authority; and

100  
101           **WHEREAS**, the formal terms for the transfer of assets and liabilities of the Sewer  
102 System, as well as the sewer operations will be set forth in a Transfer Agreement for the  
103 Sewer System, by the City Solicitor, and presented to City Council for approval by  
104 resolution prior to being formally executed; and

105  
106           **WHEREAS**, the terms for the performance of and reimbursement for shared  
107 services between the City and the Authority will be set forth in a Shared Services  
108 Agreement, by the City Solicitor, and presented to City Council for approval by  
109 resolution prior to being formally executed; and

110  
111           **WHEREAS**, terms defining the City's and Authority's relationship with regard to  
112 the City's purchase of water and sewer services from the Authority will be set forth in a  
113 cooperation agreement by the City Solicitor, and presented to City Council for approval  
114 prior to being formally executed.

115  
116           **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**  
117 **HARRISBURG, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE SAME, as**  
118 **follows:**

120 **SECTION 1.** The transfer of the assets contained within the Sewer System,

121 including the combined sanitary and stormwater collection system and the separate  
122 sanitary sewer system according to the terms set forth in the Term Sheet attached as  
123 Exhibit "A", is approved. This approval is conditioned upon the transferring of all  
124 liabilities connecting to or arising from ownership of the Sewer System and the transfer  
125 of any licenses/permits relating to operation of the Sewer System and the Authority  
126 Facilities to the Authority.

127  
128 **SECTION 2.** The City will transfer to the Authority all of the licenses/permits that  
129 it currently maintains, which are necessary for the operation of the Sewer System and  
130 the Authority Facilities and Water System.

131  
132 **SECTION 3.** Approval of the transfer of assets and liabilities related to the  
133 Sewer System is further conditioned upon the approval of a formal Transfer Agreement,  
134 a formal Shared Services Agreement, and formal <sup>Transition Agreement</sup> cooperation agreements between the  
135 City and the Authority ~~for the City's purchase of water and sewer utilities from the~~  
136 ~~Authority following the transfer of assets and operations,~~ all of which will be prepared by  
137 the City Solicitor and submitted to City Council for approval.

138  
139 **SECTION 4. DELEGATION**

140 Appropriate City officials are authorized and directed to take such actions as are  
141 necessary to effectuate this ordinance.

KP  
11-12-13

**SECTION 5. SEVERABILITY**

If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses sections or parts of this ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted has such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

**SECTION 6. REPEALER**

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

**SECTION 7. EFFECTIVE DATE**

This ordinance shall take effect in accordance with the law.

Seconded by: \_\_\_\_\_

YEAS		NAYS
<input checked="" type="checkbox"/>	KOPLINSKI	
<input checked="" type="checkbox"/>	REID	
<input checked="" type="checkbox"/>	SMITH	
<input checked="" type="checkbox"/>	SUMMERFORD	
<input checked="" type="checkbox"/>	WEBER	
<input checked="" type="checkbox"/>	WILSON	
<input checked="" type="checkbox"/>	WILLIAMS	
Yeas <u>7</u>		
Nays <u>0</u>		

11-12-13  
Wanda L. Williams  
President of City Council

K. P. ...  
City Clerk

☐ Approved

☐ Returned to City Council with objections

[Signature]  
Mayor

11-13-13  
Date

I certify that  
this is a true  
and correct  
copy. KPH  
Certified 1-11-16

Harrisburg City Council  
Ordinance  
**NO. 27 of Session 2013**

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**Moved by Wanda R. D. Williams – August 27, 2013**

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An Ordinance approving the transfer of the sewer collection system from the City of Harrisburg to the Harrisburg Authority according to certain negotiated terms.

**WHEREAS**, the City of Harrisburg presently owns and operates the sewer collection system, including a combined sanitary and stormwater collection system and a separate sanitary sewer system (collectively, the “Sewer System”); and

**WHEREAS**, the Harrisburg Authority (the “Authority”) owns a wastewater conveyance system and the Advanced Wastewater Treatment Facility (“AWTF”) (collectively, “Authority Facilities”), and leases the Authority Facilities to the City; and

**WHEREAS**, the Sewer System and the Authority Facilities are in need of repairs and upgrades which can be most efficiently undertaken if the systems are combined into one commonly owned and operated system; and

**WHEREAS**, the transfer of the Sewer System from the City to the Authority will enable the Authority to obtain the financing required to complete the upgrades and repairs necessary to keep the Sewer System in compliance with regulatory standards; and



**WHEREAS**, in conjunction with accepting the assets from the City, the Authority will also assume all liabilities connected to the Sewer System; and

**WHEREAS**, the Municipality Authorities Act allows for the transfer of facilities from a municipality to a municipal authority with the affirmative vote of two-thirds of the governing body, 53 Pa.C.S.A. § 5613; and

**WHEREAS**, the City and the Authority have negotiated a term sheet for an Agreement in Principle (“Term Sheet”), a copy of which is attached hereto as Exhibit “A,” and incorporated as if fully set forth herein, which sets forth terms for (1) the transfer of assets and liabilities related to the Sewer System from the City to the Authority; (2) the sharing of ongoing services from the City to the Authority and the payment by the Authority to the City for its allocable share of the costs of such services; (3) transfer of the City’s operations of the Sewer System and the Water System to the Harrisburg Authority, including the costs and liabilities for salary and benefits of the employees who will be transferred to the Authority; and (4) the creation of a Green Infrastructure Fund (“GIF”) to be funded by the Authority in the amount of \$3.5 Million over a period of 15 years, to be used for green economic development, stimulus and infrastructure projects; and

**WHEREAS**, the City is currently a party to an Intergovernmental Cooperation Agreement (“Second Supplemental Agreement”) with the City and the Harrisburg Authority being parties of the first part; with several suburban municipalities and authorities, including the

Borough of Penbrook, Borough of Paxtang, Township of Swatara, Township of Susquehanna, Township of Lower Paxton, Swatara Township Authority, Lower Paxton Township Authority, and Susquehanna Township Authority being parties of the second part; and with the Borough of Steelton and the Steelton Borough Authority being parties of the third part (parties of the second part and parties of the third part, collectively, "Suburban Municipalities"). A copy of the Second Supplemental Agreement is attached hereto as Exhibit "B"; and

**WHEREAS,** pursuant to the Second Supplemental Agreement, the Suburban Municipalities have agreed to discharge sewage and waste through the Authority's conveyance system to the Authority's AWTF, and the City, as operator, has agreed to accept the sewage and waste; and

**WHEREAS,** the Second Supplemental Agreement called for the City to set rates for the conveyance and treatment services it was providing to the Suburban Municipalities and for collection, conveyance and treatment services it was providing to the customers of the City of Harrisburg; and

**WHEREAS,** the City will transfer its rights and obligations under the Second Supplemental Agreement to the Authority consistent with the overall transfer of the Sewer System and the sewer operations to the Authority contemporaneously with the transfer of the Sewer System; and

**WHEREAS**, the City and the Authority are parties to a lease agreement and four supplemental lease agreements (together, "Agreement of Lease") for the Authority Facilities to the City of Harrisburg for the operation of the Authority Facilities. The Agreement of Lease (with all supplements attached) is attached hereto as Exhibit "C," and

**WHEREAS**, the City and the Authority will terminate or modify the Agreement of Lease consistent with the transfer of operations of the Authority Facilities to the Authority contemporaneously with the transfer of the Sewer System to the Authority; and

**WHEREAS**, the City and the Authority are parties to a Second Amended and Restated Management Agreement ("Management Agreement") for the operation by the City of the water supply, transmission, treatment and distribution system ("Water System") for the Authority. A copy of the Management Agreement is attached hereto as Exhibit "D," and

**WHEREAS**, the City and the Authority will terminate or modify the Management Agreement consistent with the transfer of operations of the Water System to the Authority contemporaneously with the transfer of the Sewer System to the Authority; and

**WHEREAS**, it is anticipated that current employees who perform sewer and water operations for the City will be able to continue performing their jobs as employees of the Authority; and

**WHEREAS**, the formal terms for the transfer of assets and liabilities of the Sewer System, as well as the sewer operations will be set forth in a Transfer Agreement for the Sewer System, by the City Solicitor, and presented to City Council for approval by resolution prior to being formally executed; and

**WHEREAS**, the terms for the performance of and reimbursement for shared services between the City and the Authority will be set forth in a Shared Services Agreement, by the City Solicitor, and presented to City Council for approval by resolution prior to being formally executed; and

**WHEREAS**, terms defining the City's and Authority's relationship with regard to the City's purchase of water and sewer services from the Authority will be set forth in a cooperation agreement by the City Solicitor, and presented to City Council for approval prior to being formally executed.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISBURG, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE SAME**, as follows:

**SECTION 1.** The transfer of the assets contained within the Sewer System, including the combined sanitary and stormwater collection system and the separate sanitary sewer system according to the terms set forth in the Term Sheet attached as Exhibit "A", is approved. This approval is conditioned upon the transferring of all liabilities connecting to or arising from

ownership of the Sewer System and the transfer of any licenses/permits relating to operation of the Sewer System and the Authority Facilities to the Authority.

**SECTION 2.** The City will transfer to the Authority all of the licenses/permits that it currently maintains, which are necessary for the operation of the Sewer System and the Authority Facilities and Water System.

**SECTION 3.** Approval of the transfer of assets and liabilities related to the Sewer System is further conditioned upon the approval of a formal Transfer Agreement, a formal Shared Services Agreement, and formal Transition Agreement ~~cooperation agreements~~ between the City and the Authority ~~for the City's purchase of water and sewer utilities from the Authority following the transfer of assets and operations~~, all of which will be prepared by the City Solicitor and submitted to City Council for approval.

#### **SECTION 4. DELEGATION**

Appropriate City officials are authorized and directed to take such actions as are necessary to effectuate this ordinance.

#### **SECTION 5. SEVERABILITY**

If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses sections or parts of this

ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted has such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

#### **SECTION 6. REPEALER**

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

#### **SECTION 7. EFFECTIVE DATE**

This ordinance shall take effect in accordance with the law.

**Seconded by: Bruce Weber**

Passed by City Council: November 12, 2013

Signed by the Mayor: November 13, 2013

Exhibit D

**RESOLUTION NO. 2013-013**

**UNANIMOUS WRITTEN CONSENT OF THE BOARD OF  
DIRECTORS OF THE HARRISBURG AUTHORITY TO  
ENTER INTO THE WATER, WASTEWATER, AND  
STORMWATER SYSTEMS TRANSITION AGREEMENT  
WITH THE CITY OF HARRISBURG**

The undersigned, constituting all of the duly appointed members of the board of directors (the "Board") of The Harrisburg Authority, a municipal authority created and existing under the laws of the Commonwealth of Pennsylvania (the "Authority"), having given due and proper consideration to all matters and things which are necessary or appropriate to enable them to evaluate and reach an informed conclusion as to the fairness and reasonableness of the actions set forth below, hereby consent to the adoption of the following resolutions effective as of the date first set forth below, having been adopted at a duly convened meeting of the Board at which a quorum was present and acting throughout:

WHEREAS, the City owns and operates a combined wastewater and stormwater collection system, a separate wastewater sewer system, and a separate stormwater sewer system (collectively, the "Sewer Collection System");

WHEREAS, the Authority owns a wastewater conveyance system and advanced wastewater treatment facility (the "Authority Wastewater Facilities" and together with the Sewer Collection System, the "Combined Sewer System");

WHEREAS, the City operates the Authority Wastewater Facilities under the Conveyance and Treatment System Lease;

WHEREAS, the Authority owns a water system (the "Water System") and the City operates the Water System under a Management Agreement;

WHEREAS, the City provides billing, payment processing, and collections services for the Water System and the Combined Sewer System, as well as for the City's Sanitation enterprise fund (collectively, the "Utilities");

WHEREAS, the City and the Authority acknowledge that the Water System and the Combined Sewer System can more effectively be owned, operated, managed and funded if the systems are operated on a combined basis by the Authority;

WHEREAS, the Authority needs to control the billing, payment processing, and collections of the Water System and Combined Sewer System revenue in order to efficiently obtain access to capital to operate and fund the maintenance of and improvements to the Water System and the Combined Sewer System;

WHEREAS, the Authority is qualified and desires to own and operate the Combined Sewer System and the Water System;

WHEREAS, the City intends to transfer to the Authority, and the Authority intends to acquire and operate, the Sewer Collection System pursuant to an agreement currently under consideration (the "Transfer Agreement"); and

WHEREAS, the City and the Authority intend to transition operation of the Water System and Combined Sewer System from the City to the Authority prior to the Closing under the Transfer Agreement pursuant to the terms and conditions of this Agreement.

BE IT NOW RESOLVED, that the forms, terms and provisions of the Transition Agreement be, and the same hereby are, in all respects, approved, adopted and ratified, and that William Cluck, in his capacity as the Chairman of the Board of the Authority, Westburn Majors, in his capacity as Vice Chairman of the Authority and J. Marc Kurowski, in his capacity as the Secretary of the Authority (each an "Authorized Officer"), be, and hereby is, authorized and



directed, in the name and on behalf of the Authority, to execute and deliver the Transition Agreement with such changes as he shall approve on behalf of the Authority, such approval to be conclusively established by his execution and delivery thereof; and be it

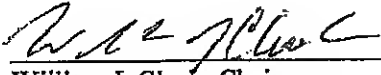
FURTHER RESOLVED that the final executed version of the Transition Agreement shall be attached to this Resolution as Exhibit "A" and incorporated herein by reference thereto; and be it


FURTHER RESOLVED, that each Authorized Officer be, and hereby is, authorized and directed, in the name and on behalf of the Authority, to execute and deliver all such further agreements, assignments, amendments, requests, reports, notes, documents and other instruments, and to take all such further action, as such Authorized Officer in his discretion may consider necessary or appropriate in order to carry out the terms of the Transition Agreement and each other document entered into in connection therewith and the transactions contemplated thereby and to carry out the foregoing resolutions.

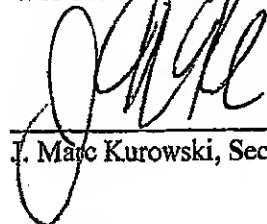
[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent as of the 30<sup>th</sup> day of October, 2013.

**DIRECTORS:**

  
\_\_\_\_\_  
William J. Cluck, Chairman

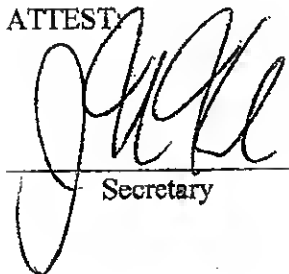
  
\_\_\_\_\_  
Westburn Majors, Vice Chairman

  
\_\_\_\_\_  
J. Marc Kurowski, Secretary

***BEING ALL OF THE MEMBERS OF THE BOARD OF DIRECTORS OF  
THE HARRISBURG AUTHORITY***

Duly adopted this 30th day of October, 2013 by the Board of The Harrisburg Authority in lawful session duly assembled.

THE HARRISBURG AUTHORITY

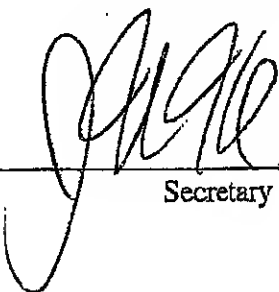
ATTEST  
  
\_\_\_\_\_  
Secretary

By:   
\_\_\_\_\_  
Chairman

**CERTIFICATE**

I, the undersigned Secretary of The Harrisburg Authority, certify that the foregoing Resolution was adopted by a unanimous vote of the entire Board of the Authority at a meeting duly convened according to law and held on October 30, 2013, at which meeting a quorum was present; said Resolution was adopted by an ye or nay vote; said Resolution and the vote thereon showing how each member voted have been recorded in the minutes of said Board; and said Resolution remains in effect, unaltered and unamended as of the date of this Certificate.

IN WITNESS WHEREOF, I set my hand and official seal of the Authority, this 30<sup>th</sup> day of October, 2013.

  
\_\_\_\_\_  
Secretary

(SEAL)

## **RESOLUTION NO. 2013-014**

### **UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF THE HARRISBURG AUTHORITY TO ENTER INTO THE HARRISBURG SEWER COLLECTION SYSTEM TRANSFER AGREEMENT WITH THE CITY OF HARRISBURG**

The undersigned, constituting all of the duly appointed members of the board of directors (the "Board") of The Harrisburg Authority, a municipal authority created and existing under the laws of the Commonwealth of Pennsylvania (the "Authority"), having given due and proper consideration to all matters and things which are necessary or appropriate to enable them to evaluate and reach an informed conclusion as to the fairness and reasonableness of the actions set forth below, hereby consent to the adoption of the following resolutions effective as of the date first set forth below, having been adopted at a duly convened meeting of the Board at which a quorum was present and acting throughout:

WHEREAS, the City owns and operates a combined wastewater and stormwater collection system, a separate wastewater sewer system, and a separate stormwater sewer system (collectively, the "Sewer Collection System");

WHEREAS, the City and Authority are parties to a Collection System Lease, under which the City leases some or all of the Sewer Collection System to the Authority, which subleases some or all of the Sewer Collection System back to the City, and which allowed for financing of Sewer Collection System projects;

WHEREAS, the Authority owns, and the City operates, a wastewater conveyance system and advanced wastewater treatment facility (the "Authority Wastewater Facilities" and together with the Sewer Collection System, the "Combined Sewer System");

WHEREAS, the City and the Authority acknowledge that the Sewer Collection System is in need of repairs and upgrades and that such repairs and upgrades can be most efficiently undertaken if the systems are owned and operated as a combined operation with the Authority Wastewater Facilities, together with the sewer Collection System, the "Combined Sewer System";

WHEREAS, the Authority is qualified to own and operate the Sewer Collection System pursuant to Pa. C.S. 56 P.S. § 5601 et seq. and the City desires to transfer to the Authority and the Authority desires to acquire the Sewer Collection System and the parties desire to terminate the Sewer Collection System Lease;

WHEREAS, pursuant to the Water, Wastewater, and Stormwater Transition Agreement, the City and Authority mutually agree to transfer operations of the Combined Sewer System to the Authority and;

WHEREAS, the City desires to sell and the Authority desires to acquire the Sewer Collection System.

BE IT NOW RESOLVED, that the forms, terms and provisions of the Transfer Agreement be, and the same hereby are, in all respects, approved, adopted and ratified, and that William Cluck, in his capacity as the Chairman of the Board of the Authority, Westburn Majors, in his capacity as Vice Chairman of the Authority and J. Marc Kurowski, in his capacity as the Secretary of the Authority (each an "Authorized Officer"), be, and hereby is, authorized and directed, in the name and on behalf of the Authority, to execute and deliver the Transfer Agreement with such changes as he shall approve on behalf of the Authority, such approval to be conclusively established by his execution and delivery thereof; and be it

FURTHER RESOLVED that the final executed version of the Transfer Agreement shall be attached to this Resolution as Exhibit "A" and incorporated herein by reference thereto; and be it

FURTHER RESOLVED, that each Authorized Officer be, and hereby is, authorized and directed, in the name and on behalf of the Authority, to execute and deliver all such further agreements, assignments, amendments, requests, reports, notes, documents and other instruments, and to take all such further action, as such Authorized Officer in his discretion may consider necessary or appropriate in order to carry out the terms of the Transfer Agreement and each other document entered into in connection therewith and the transactions contemplated thereby and to carry out the foregoing resolutions.


[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent as of the 30<sup>th</sup> day of October, 2013.

**DIRECTORS:**

  
\_\_\_\_\_  
William J. Cluck, Chairman

  
\_\_\_\_\_  
Westburn Majors, Vice Chairman


  
\_\_\_\_\_  
J. Marc Kurowski, Secretary

***BEING ALL OF THE MEMBERS OF THE BOARD OF DIRECTORS OF  
THE HARRISBURG AUTHORITY***

Duly adopted this 30th day of October, 2013 by the Board of The Harrisburg Authority in lawful session duly assembled.

THE HARRISBURG AUTHORITY

ATTEST:

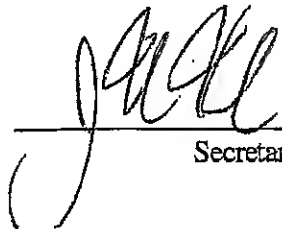
  
\_\_\_\_\_  
Secretary

By:   
\_\_\_\_\_  
Chairman

**CERTIFICATE**

I, the undersigned Secretary of The Harrisburg Authority, certify that the foregoing Resolution was adopted by a unanimous vote of the entire Board of the Authority at a meeting duly convened according to law and held on October 30, 2013, at which meeting a quorum was present; said Resolution was adopted by an yea or nay vote; said Resolution and the vote thereon showing how each member voted have been recorded in the minutes of said Board; and said Resolution remains in effect, unaltered and unamended as of the date of this Certificate.

IN WITNESS WHEREOF, I set my hand and official seal of the Authority, this 30<sup>th</sup> day of October, 2013.

  
\_\_\_\_\_  
Secretary

(SEAL)



James M. Zugay, Esq.  
Recorder of Deeds  
(717) 780-6560  
jzugay@dauphinc.org

Candace E. Meck  
First Deputy  
www.dauphinc.org/deeds

## Dauphin County



## Recorder of Deeds

Harrisburg, Pennsylvania

### CERTIFIED END PAGE

*Location:*  
Dauphin County Courthouse  
Room 102  
101 Market Street  
Harrisburg, PA 17101

INSTRUMENT #: 20160006178  
RECORD DATE: 3/18/2016 11:25:20 AM  
RECORDED BY: DJENKYN  
DOC TYPE: AGR  
AGENT: GOLDBERG, KATZMAN  
DIRECT NAME: HARRISBURG CITY OF  
INDIRECT NAME: HARRISBURG CITY OF

RECORDING FEES - State: \$0.50  
RECORDING FEES - County: \$13.00  
ACT 8 OF 1998: \$5.00  
ADDITIONAL NAME FEE: \$168.00

RUSH TWP

UPICount: 34  
UPIFee: 680  
UPIList: 55-001-005-000-0000,55-001-006-000-0000,55-001-007-000-0000,55-001-008-000-0000,55-002-001-000-0000 et al  
I Certify This Document To Be Recorded  
In Dauphin County, Pennsylvania.



James M. Zugay, Recorder of Deeds

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THIS IS A CERTIFICATION PAGE

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**PLEASE DO NOT DETACH**

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT